

JEROME'S
fine-tune worsted suitings
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FINANCIAL TIMES

No. 25,522

Wednesday August 4 1971

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Thwaites
3 TON ALLDRIVE DUMPER

Thwaites Engineering Co Ltd
Leamington Spa
England
Tel: 0526-22471

News Summary

Labour Wall St. lenial on has big setback

Labour Party spokesman said last night the Labour Committee for Europe—presidents George Brown, Roy Jenkins and Michael Stewart—“totally misrepresented the situation” in warning protesters outside Parliament to stop making speeches in support of the terms for British entry.

Last night, anti-Marketters at Westminster were surprised, but not surprised, over the Committee's warning, writes John Bourne.

A letter to Committee members, organising secretary Bruce Galloway, said that following the four Party Members' Executive decision to oppose the terms, Party members who attacked official policy (a) proscription and (b) stifling the anti-Marketters' right to be publicly split—the Party.

However, the Party spokesman said Party members were free, mainly until the annual conference, to express the views honestly held on the entry terms. They have only been asked not to make personal attacks. Back Page

Push for detente Europe

Meanwhile, the Party's Foreign Executive is to push for a “new foreign policy” to drive for substantial TO-Warsaw Pact defence cuts, said the Foreign Secretary last night. He said the EEC was racing ahead from its “new prospects of East-West co-operation.” Page 10

Jumbo bomb alert

BOAC Jumbo jet, 381 aboard, diverted safely at New York after a bomb threat to Denver's airport because of a bomb warning. The Jumbo had just taken off for London when the pilot was told there was a pressure bomb aboard set to explode under 3,000 feet. At New York, the plane was diverted to Denver, where it landed safely. No one was hurt, but the plane was damaged. Page 10

pollo rest day

15 astronauts rested in their quarters yesterday as their spacecraft gathered more speed on the way to the moon. They were to blast off from orbit around Earth later today.

Raise for Forces

Members of all ranks to receive a 7 per cent pay rise effective August 1. However, charges for single men and women are to rise by 5p, and married quarters by 7p. Page 10

The survivors

Five British climbers were rescued in hospital at Grindelwald, Switzerland, after falling a 1,000-foot fall down the west face of the Eiger mountain. A fourth man was killed. The men, all in their 20s, were not immediately identified.

Hateful! hoaxers

Investigative seeking the kidnapper Denise Walker, five months on from her prison at Harlow, sex-want to interview a girl, a man, but says suit who got a train to London with baby shortly after Denise was released. She returned an hour earlier, minus baby. Earlier today, Denise's father confirmed as “hateful” hoaxers he claimed to have taken the girl. Police were investigating her confessions.

riefly...

Fire facts have been gained on a possible ignition cause, but the cause of the three explosions is still inconclusive. Page 8

IC advised that people entering France from Spain no longer need to produce a valid cholera vaccination certificate.

Warrior jump jet crashed near Harborough, Northants, killing a pilot—USAF officer serving in the RAF.

Chief price changes

Prices in pence unless otherwise indicated		
Labour Trust	44	+
IR	264	+
IR	191	+
Irish Sugar	285	+
Irish Sugar	285	+
Irish Sugar	285	+
Irish Sugar	285	+
Irish Sugar	285	+
Irish Sugar	285	+
Irish Sugar	285	+
Irish Sugar	285	+

Davies pleased with UCS talks despite union walk out

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, August 3.

After nearly four hours of talks on the UCS situation here today, Mr. John Davies, Secretary for Trade and Industry, expressed himself well satisfied with the “sensible, competent and practical discussion.” He took a “sheaf of notes,” he told a Press conference, and would consider every suggestion.

Before the meeting at Glasgow City Chambers, Mr. Davies—highly guarded following the bomb attack on his London home—was subjected to a barrage of hoots and shouts from poster-bearing demonstrators at both the airport and outside the chambers. Six shop stewards and other union representatives, disappointed at what they described as a “mere public relations exercise,” left the meeting shortly before it ended.

The meeting itself was attended by almost 50 people representing the Corporation, the Scottish Council (Development and Industry), Glasgow Chamber of Commerce, several local authorities, trade unions and shop stewards. Mr. Gordon Campbell, Secretary of State for Scotland, was also there.

The purpose

The purpose of the meeting, said Mr. Davies, was twofold: to explain the Government's decision on UCS and the reasons for accepting the advisers' report incorporated in last Thursday's White Paper; and “to listen carefully” to people's comments, including the broader issue of Scottish unemployment.

“This is of the profoundest concern to us,” said Mr. Davies. Many of those who attended, particularly on the trade union side, seemed to expect something more, although Mr. Davies had made it clear that he did not arrive with a “pocketful of proposals.”

Mr. Raymond MacDonald, chairman of the Scottish TUC, thought “it was the same old story with the same old excuses,” while Mr. James Jack, general secretary, described it as a “rather unproductive meeting.”

While Mr. Davies had said that the Government's decision on UCS was “not immutable,” Mr. Jack thought his mind was made up. He had apparently even hinted that, failing co-operation by the workers, “even the Govan-Lintholme solution was in danger.”

(The advisers' report suggested a new company based on the Govan-Lintholme complex, employing about 2,500 workers—rather less than one-third of the present labour force—to be set

up following the winding up of UCS, leaving the Clydebank and Scotstoun yards “to be disposed of.”)

At the Press conference, Mr. Davies confined himself to stressing the need for “concerted action by all concerned” to mitigate the effect of redundancies. Asked about the “work-in” organised by shop stewards in UCS yards, he understood their “initial shock” but hoped that “understanding could be reached.”

Dissatisfied

Six union representatives went to the extent of showing their dissatisfaction by leaving the meeting after ten minutes before the end.

Mr. James Reid, senior shop steward at Clydebank, described it as a “public relations exercise” and a “waste of time,” and other union officials complained about the lack of concrete proposals. “Nothing,” he said, “has been said to help the employment situation in Scotland which would improve in the

Lockheed moves to catch up lost ground on L-1011

BY JOHN GRAHAM, U.S. EDITOR

WASHINGTON, August 3.

THE Lockheed Aircraft Corporation this morning began to move to recover some of the ground lost during the wrangling of the last six months.

Yesterday a senior management team prepared to go to London to complete the agreement with Rolls-Royce (1971) and the company intends to get full production of the L-1011 as soon as possible. The previous agreement was conditional on Lockheed's getting the Congressional loan guarantee approval by August 8.

I understand that while the team is in London the Lockheed executives will continue their search for new orders for the L-1011. High on the list of targets are the inclusive tour operators—companies such as Court Line in the U.K. and Sterling in Denmark—which Lockheed hopes will buy large numbers of L-1011s especially fitted for multi-passenger operations.

The company hopes for a decision by BEA sooner rather than later though it has taken note of BEA's statement that a decision will probably have to wait till next year. During the last months, Lockheed and BEA have been in touch several times.

A company official told me this afternoon that Lockheed will not wait until everything is done with the loan guarantee is signed, sealed and delivered before going on the sales hunt.

The questions which remain unanswered Page 15
Statement in Commons to-day Back Page
BEA's position Back Page

Pleased note

The White House has not yet said what President Nixon will sign the actual legislation, but the President did issue a pleased note last night and will no doubt sign the loan guarantee into law before the week is out. After that, the company must get confirmations of its orders from its major customers, especially TWA, Eastern and Delta.

Despite Delta's hedge option on some DC-10s earlier this year, Lockheed expects no more defections.

London firm defends bridge design

BY JOHN HUNT

SIR RALPH FREEMAN, senior partner of Freeman, Fox and Partners, the London firm of design engineers, yesterday strenuously denied any suggestion that the design for the West Gate Bridge at Melbourne, Australia, was not technically sound.

His statement followed publication of the report of the Australian Royal Commission investigating last October's tragedy when the bridge collapsed causing the deaths of 35 men.

The commission says that the London firm was mostly to blame for the collapse and calls the disaster “inexcusable” and “utterly unnecessary.”

It declares that the parties engaged in the design and construction of the steel spans were responsible for “mistakes, miscalculations, errors of judgment, failure of communication and sheer inefficiency.”

“While we have found it neces-

sary to make some criticism of all the other parties, justice to the designers is to state unequivocally that the greater part of the blame must be attributed to Freeman Fox and Partners,” the Commissioners state.

Sir Ralph Freeman was in Melbourne yesterday and his statement was issued by the firm's London office. He said: “I believe that Freeman Fox and Partners' design for the West Gate Bridge is technically sound and we strenuously deny any suggestion to the contrary.”

Regretted

He agreed with the commission's finding that the collapse should never have happened and said that his firm, like others concerned, regretted the tragedy.

Sir Ralph also pointed out that Freeman Fox had a successful 114-year record and had been consulting engineers on Sydney Harbour Bridge, Auckland Harbour Bridge, the Eskine Bridge

in Scotland, and the Severo Bridge.

The commission's report said the design by the firm was in many respects adequate and that other parties to the contract seemed to have been dazzled by the firm's reputation.

The firm had given assurances on the adequacy of the design which were unsupported by relevant or sufficient calculations. It had also appointed relatively inexperienced engineers, had failed to brief them adequately and had failed to support them with efficient communication to the London office.

However, the commissioners add that the others concerned in the project must also to a greater or lesser degree take some of the blame.

Meanwhile, the Victorian State Government has announced an independent inquiry into the design of the bridge. Acting State Premier Rupert Hamer said the inquiry would deter-

Strike threat to State steel

By Michael Hand, Labour Correspondent

THE nationalised steel industry is threatened again with another crippling strike by blastfurnace men at a time when it is already losing some £2m. a week.

The national executive of the blastfurnacemen's union yesterday warned the British Steel Corporation that it will call its 15,000 members in the nationalised steelworks out on strike from Sunday, September 5, unless they get an improved pay offer.

When they stopped work for four days in June over the same pay dispute, steel production was quickly cut to half. Many thousands of workers were laid off and the direct cost to the corporation was £7m.

Ultimatum

On that occasion they gave only one week's notice of the strike, although three weeks is the accepted period. This time, however, there will be a period of nearly five weeks in which negotiations to end the strike could take place.

But Mr. Hector Smith, general secretary of the National Union of Blastfurnacemen, said after yesterday's unanimous decision by his executive, that it would not start new talks unless it was assured it would get a better offer.

A BSC spokesman said last night: “It is a matter of great regret to the corporation that after a series of negotiations, the NUB should take this decision.”

The pay offer now being rejected by the blastfurnacemen has been accepted by unions representing more than 100,000 other manual workers in the industry. This would give day workers on a 40-hour week an annual £160 in their pay packets. Men qualifying for premium payments could earn up to £2.05 extra under the 6.6 per cent offer.

Rejected

This was rejected by the blastfurnacemen at their annual conference last month. Originally they demanded a 35 per cent increase but they have since modified their claims and the difference between the two sides is now small in money terms. The NUB is at present asking for an across-the-board increase of £2 a week and an extra 65p in premium payments. But it seems unlikely that the BSC will be prepared to offer the blastfurnacemen higher increases than those accepted by all the other unions. These were based on the rise in the cost-of-living and were negotiated well before the existing pay agreements were due to expire.

Mr. Smith commented: “We have gone open in order to lighten factory agreement for our members, but the Steel Corporation just would not move.”

The BSC is taking the NUB's threat seriously and immediately it was given notice of the strike it cancelled plans to re-light a blastfurnace at Bilston (Staffs), a plant in its special steels division, following re-lighting. This was because of the risk that it would only have to be damped down again in the event of a strike.

Biggest rise in U.K. reserves for five years

BY MICHAEL BLANDEN

THE U.K.'s official reserves rose by another £105m. in July to reach a new peak of £1,613m. This is the tenth successive month in which the strength of the pound and the U.K. balance of payments has brought an increase in the reserves.

In dollar terms, it brings the total reserves at \$3,870m. to a new high for the first time in

Sterling started the month at around the \$2.415 level or a little above, and though it came back a little, stayed high and ended the month still at \$2.415. Yesterday sterling was again a little softer against the dollar, closing at \$2.412.

IMF debt

The strength of sterling, and the surprisingly large inflow of reserves, has reflected the continued current balance of payments surplus, and the confidence this has engendered. With interest rates still tending to be slightly in London's favour, the flow of short-term funds has persisted, though at lower levels than in the early part of the year.

The U.K. also benefited from further drawings on sterling by other members of the International Monetary Fund to the tune of \$5m. or just over £2m. This brought the U.K.'s total outstanding debt to the IMF down to \$572m.; the Chancellor has already announced in his mini-Budget statement last month that the Government is to repay £256m. of these debts during this month.

Editorial Comment Page 14

PM to discuss North-West's problems

By Our Industrial Correspondent

THE Prime Minister has agreed to meet representatives of the North-West Industrial Development Association to discuss the unemployment situation in the region and other major problems affecting industrial development and the environment.

Mr. Heath has told the Association that he will be glad to meet it when he is next in the area. No date has been given, but the Association is hoping for an early get-together.

£'s position

The major feature of much of the month was the weakness of the dollar, particularly against European currencies such as the Deutsche Mark and the French franc. The pound has remained rather on the sidelines of the main speculative movements, but has continued to be strong against the dollar without pressing right against its exchange rate ceiling.

ON OTHER PAGES

HOME HEATING		Men and Matters	
To-day's issue contains three pages (21-23) on Home Heating.		Mining News	14
Appointments	19	Money Market	24
Arts and Entertainment	3	Overseas News	5, 7 & 8
Classified Appointments	12	Parliament	10
Company News	16-18	Racing	2
Crossword	2	Your Business Problems	13
Executive's World	13	SE Dealings and Statistics	26 & 27
Export News	6	Sport: Yachting	10
FT Share Information	28 & 29	Stock Exchange Report	25
Gardens To-day	6	Theatres and Cinema	3
International Company News	18	The Technical Page	9
Labour News	12 & 15	To-day's Events	20
Leading Articles	14	TV and Radio	2
Letters	2	Wall St. and Overseas Markets	24
Lex and Lombard	30	PROSPECTUS	
		Marshall, Morgan & Scott	11
		Comment Page 16	

NEW ZEALAND

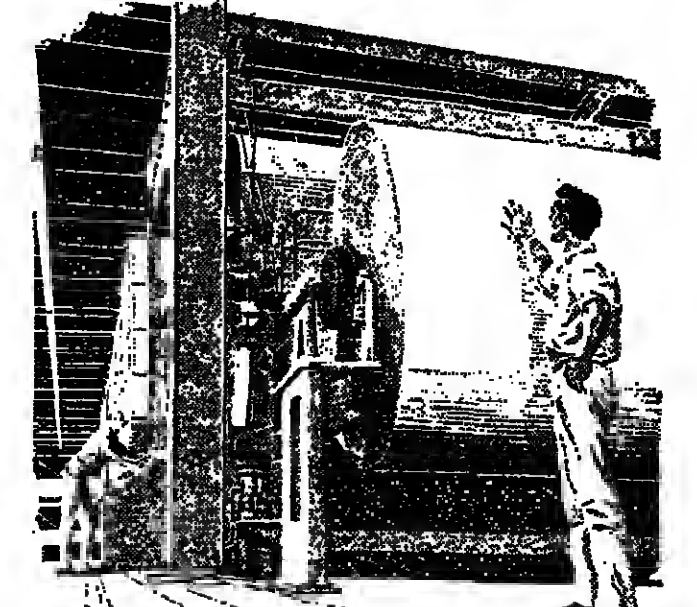
The pattern changes

“Timber, one of the fastest-growing industries... Export earnings doubled in the past two years...”

The expansion of the forest industries has been outstanding. Paper, pulp and kraft board as well as sawn timber are exported in ever-increasing quantities.

This is New Zealand's news today. Food bowl of the Pacific, but expecting also a 174% increase in the export of forest products well within the next ten years. And we are there, intimately involved in the daily changing pattern of it all. Well placed to help you with your export or investment problem. Contact us when you need us. Meanwhile, why not study a copy of the latest edition of our “Review of the Economic Situation in New Zealand” or our booklet “Investing in New Zealand”? They are yours for the asking.

Over 200 branches and agencies throughout New Zealand.



The National Bank OF NEW ZEALAND LIMITED

New Zealand Branches: 347, 417, 419, 421, 413, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

American News

Problems of new U.S. two-China policy

WASHINGTON, August 3. THE UNITED STATES will continue to support the Government of the Republic of China, but will not support the Government of the People's Republic of China, the State Department said today.

The administration's position is a result of the fact that the United States has no formal relations with the People's Republic of China, and that the Government of the Republic of China is the only government in the world which has been recognised by the United States.

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NYSE announces loss of \$8.9m. in first half year

BY JUREK MARTIN

STILL suffering from the hang-over of the liquidations of a number of brokerage houses in the past two years, the New York Stock Exchange has announced that it incurred a loss of \$8.9m. in the first half of this year.

The NYSE's operating profit in the first six months actually came to \$9.8m. on revenues of \$43.9m., but this was more than offset by the \$18.7m. spent to take care of insolvent brokers. These bankruptcies all occurred before the start of this year, since January 1, the prime responsibility for protecting the public against such liquidations has been assumed by the Securities Investor Protection Corporation, the joint industry-Government concern established by act of Congress.

keenly awaited report of Mr. William McChesney Martin, the former head of the Federal Reserve, on the structure and practice of America's securities markets.

The Martin report, which runs to only 18 pages, according to informed sources, is due for formal release sometime this week. Speculation on its contents, much of it well-founded since Mr. Martin has been talking to just about everyone in the securities business, is rife in Wall Street, in Chicago and in the other regional exchanges.

mutual fund operations to direct themselves of these activities (though brokers would be able to continue other types of investment advisory accounts such as pension funds).

3-That the concept of fixed minimum commissions should be retained; negotiated rates are now in force for orders of over \$500,000, and there is pressure to extend this down the dollar scale. The report has apparently concluded that many brokers would be driven out of business if negotiated rates were the norm.

Market Report

The brokerage problems of last year meant that the NYSE took a loss of \$12.7m., the first deficit in more than a decade. The loss in the current first half is evidence that it has proved impossible to take care of these bankruptcies as clinically as had been hoped.

However burdensome these bankruptcies may be, they are not the major preoccupation at the moment. That honour belongs solely to the

2-That there should be a loose merger between all the New York and regional exchanges, all booked electronically, but the individual exchanges should retain their identity and their individual standards governing such matters as stock listings and members' capital requirements.

2-That restrictions on institutional membership should remain. This would tend to circumscribe the freedom of individual exchanges, since two exchanges, the Philadelphia-Baltimore-Washington and the Pacific Coast currently permit some form of institutional membership. The report would also require institutions with broker-age subsidiaries and brokers with

4-That the NYSE's Board of Governors should be radically changed from the present 33-man Board (29 of whom are brokers) to a 21-man Board made up of the full-time part-time chairman, 10 from the brokerage community and 10 from the investing public (including officials of listed corporations). The intention is to end the "clubby" atmosphere that the NYSE is often criticised for and to make the NYSE an institutional model for the other exchanges, the control of most of which still lies with broker-dealers.

Canada to curb foreign control

BY OUR OWN CORRESPONDENT

CANADA'S Joint Securities Industry Committee, composed of senior people from the stock exchanges and the Investment Dealers Association of Canada, has come up with a policy to deal with foreign control and Canadian access to capital which is tougher than the Moore Report of last year in some respects and easier in others.

The Joint Committee, seeking a consensus on the Moore Report findings on the basic problems of the industry, urges that foreign-owned securities firms must become Canadianised fully within 18 years if they are to be allowed to grow on an agreed formula.

1980, 60 per cent. by 1983 and 75 per cent. by 1986. A further 15 per cent. would have to be sold to Canadians or other foreigners not related by 1989.

A company conforming to Canadianisation could increase its capital by retaining in its Canadian operation earnings of 10 per cent. of the company's total earnings, or 1 per cent. of ownership transferred to Canadians over and above the basic 10 per cent. If a foreign-owned firm does not Canadianise, the maximum capital it could use in its Canadian business would be set at a level of 10 per cent. of its total capital.

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If they do not want to become Canadianised, their growth will be held back under a formula of capital restriction. The foreign securities firms and approved investors will still be able to own interests in Canadian firms within strict limits.

The Joint Industry Committee set its policy in the same framework as the Moore Report: that it represents a key sector of the economy such as banking and insurance, that it should be an industry fully controlled by Canadians within 18 years, and that foreign investment in a Canadian securities firm should not total more than 25 per cent. with not more than 10 per cent. from any single foreign unrelated source.

THE DECISION yesterday of the Michigan Bank, a \$700m. Detroit institution, to increase its prime rate to 6 1/2 per cent. from 6 per cent. produced little visible reaction in the major money centres of New York and Chicago today, though it did contribute to a sharp decline on the stock market. But although nobody followed the Michigan Bank's lead, the feeling here was that the trend in interest rates was such that a higher prime rate would become general if not this

month then sometime in September.

The Michigan Bank was at pains to stress that its decision was based on local conditions of strong loan demand and not on general money market conditions. Nevertheless, first Pennsylvania Banking and Trust, the largest bank in Philadelphia which has carved out a reputation for leading interest rate changes, said this morning that it was studying the rate change with considerable interest.

UNITED TRANSPORT CO LTD

A Record Year

The following are salient points from the statement of Mr. D. Lloyd Jones, Chairman and Chief Executive, for the year ended 31st December, 1970.

Results

Group Profit before tax was £6,217,000 compared with £5,152,000 in 1969, an increase of 20%.

A Final Dividend of 17% is proposed, making a total of 24% for the year compared with 22% in the previous year.

Home Interests - Industrial

Although the Dandix Brush Group increased its profitability, Dursmin again suffered a loss as a result of the heavy development costs in the production of the new type containers.

In January 1971 a fire destroyed one of the main Dursmin buildings and its contents comprising the principal material stores, machine shop and auxiliary manufacturing sections. As a result, contracts had to be renegotiated involving a reduction of container orders and revised delivery schedules related to the reduced scale of production.

Home Interests - Transport

Both revenue and profitability improved which is a justification of the continuing policy of spending large amounts on modernising the fleets and depots.

With a prospect of useful economies, Jameson's transport activities in the U.K. are being merged with those of Smith & Msdidman.

Jameson's (Europe) will continue to operate continental services and will be based at Southampton.

Keith & Boyle again achieved a record profit, all sections of the business being profitable.

United Transport Overseas Limited

This Group had a most successful year.

The successor Government in Uganda has repealed the legislation to acquire compulsorily part of our transport interests in that country.

Protracted negotiations have taken place in Zambia in the matter of compensation for the compulsory acquisition of our freight and passenger interests in Zambia. It is expected that these will soon form the subject of a formal agreement.

In accordance with the wishes of the Government of Kenya a further 26% of the shares of East Africa Road Services were sold by means of a public issue in Nairobi. The issue was substantially oversubscribed.

Negotiations are proceeding with the Mombasa City Council for the sale to the Municipality of one third of the shares in Kenya Bus Services (Mombasa).

In Australia profitability improved and we are now going through a period of consolidation.

In Europe our activities showed some decline although there are already signs of an improvement this year. These activities combined with the U.K. companies' continental operations form a sound base to enable us to take advantage of the increased demand for transport to and from the E.E.C.

Current Prospects

If the present trend continues the U.K. profits for 1971 will show some improvement over the 1970 results, but the overseas profits are likely to show some reduction, partly due to the loss of income from Zambia and Tanzania. Taking both together I anticipate that the profits attributable to this company in 1971 will not be less than those in 1970.

Five year record of progress

	1970	1969	1968	1967	1966
Group Profit before Taxation	£'000 8,217	£'000 5,152	£'000 4,829	£'000 3,711	£'000 4,032
Group Profit after Taxation	3,668	2,823	2,738	2,109	2,558
Profit after tax attributable to U.T.C. Shareholders	1,889	1,612	1,532	1,183	1,509
Dividends (Gross)	781	716	716	551	651
Cash Flow (Retained Profits, plus Depreciation)	6,988	6,317	6,238	3,664	3,887

United Transport Company Limited, Mounton Chambers, Chepstow, Mon. NP6 5XB

PUBLIC SPEAKING IN THE U.S.

The platform is booming

BY SARAH RIDDELL

TO-DAY the International Platform Association, America's oldest society of public speakers, pays tribute to "the greatest orator of the 20th century," Winston Churchill. At a ceremony at Chartwell, a delegation led by Dr. Glen Seaborg, chairman of the U.S. Atomic Energy Commission, will present a bust of the statesman in appreciation of his gifts and inspiration as a public speaker. The gesture is appropriate since Churchill himself was a member of the IPA and in 1900, in order to establish his financial independence at the start of his political career, made a lecture tour of the United States. At the end of five months on the road in America, Canada and England he had amassed the extraordinary sum of £10,000.

There is a long tradition of lecturing for profit in the United States, and the English have always taken their share of the cake. Since Dickens and Thackeray, who came to America in the 19th century to repair their fortunes on the public platform, there has been a steady flow of speakers across the Atlantic. Some have been equally notable as orators and many, as suggested by Dylan Thomas, with "elephantiasis of the reputation—huge trunks and tiny minds." All have come, and continued to come by the auction, to tap this rich vein of American life.

Typical of the older-established agencies are Colston Leigh and Harry Walker Inc. Mr. Leigh has been in the business for 45 years and now has over 150 speakers under contract. In the past they have included such names as Harold Nielsen, E. Sackville West and Duff Cooper. Today they include Art Buchwald, Lord Harelech, Barbara Castle and Clare Booth Luce. Although Mr. Leigh declines to give an exact figure, he says that the firm grosses "a couple of million dollars a year."

Mr. Walker describes his business as "highly selective." He has about 150 speakers under exclusive contract and reels off a list of household names, among them members of the Washington establishment including politicians, General Maxwell Taylor, Dr. Werner von Braun and many news commentators. On average he does about \$2m. worth of business a year. He is especially keen on some of the newer agencies—"from listening to them people get the impression we are all just a bunch of wheeler-dealers." He stresses that he only handles the highest calibre speakers, leaving "phonics and heroes of the pop culture to others."

Agencies

Today the platform is booming. Television and the revolution in communications, far from dampening the demand for the live speaker, have actually whetted the appetite for a face-to-face confrontation with the famous. Every year thousands of speakers lecture on every topic under the sun before ever-growing audiences. Mr. Tyler Moore, Director General of the IPA, calculated that in a single week there were no fewer than 40,000 paid speaking engagements in New York City and some 30,000 in Chicago.

The lecture business has exploded into a multi-million dollar industry. Estimates of the annual turnover range from a conservative figure of \$50m. to a high of \$1,000m., depending on which public relations firm you talk to. There are now about 70 lecture agencies across the country, but the business is dominated by a handful on the East Coast, Harry Walker, Colston Leigh, the Keedick Agency, Richard Fulton Inc. and the American Program Bureau. Each agency has somewhere between 40 and 400 speakers on its books; it procures engagements, makes the travel and hotel reservations, organises the publicity, and slices off an average 30 per cent. in commission.

Typical of the older-established agencies are Colston Leigh and Harry Walker Inc. Mr. Leigh has been in the business for 45 years and now has over 150 speakers under contract. In the past they have included such names as Harold Nielsen, E. Sackville West and Duff Cooper. Today they include Art Buchwald, Lord Harelech, Barbara Castle and Clare Booth Luce. Although Mr. Leigh declines to give an exact figure, he says that the firm grosses "a couple of million dollars a year."

Air-travel has enabled many more people to accept speaking engagements without local disruption of their working lives. In fact, lecturing is often called the "world's greatest moonlighting profession." For most speakers it is an extra-curricular activity; after all it is only after a person has made a name for himself that he can draw lecture audiences. However, by careful public relations, lecturing can form the basis of a career. The trade magazine, Talent, has advertised speakers who "combine extensive travels, prominent acquaintances and well-rounded business experiences with motivating, human listening experience"; with titles such as "You can achieve the fountain of youth," "Footprints in the sand of time, they do make our lives sublime" or simply "Life in the FBI."

Pulp mill plan dropped

BY OUR OWN CORRESPONDENT

SASKATCHEWAN Premier Allan Blakeney's government will not proceed with the controversial \$111m. Athabasca pulp mill project. The Government has told Parsons and Whittemore, of New York, that it wants immediate steps taken to determine expenditures of obligations incurred so far. The project was negotiated by the former Liberal administration. Swept to power in June, Mr. Blakeney had promised that the agreement on the mill would be renegotiated, and he said that unless the mill issue can be settled satisfactorily at a reasonable early date, the Government will introduce special legislation. Athabasca Forest Industries, the company set up to build the mill, has issued debentures which are guaranteed by the province. Athabasca can redeem the debentures at par if the proceeds have not been drawn from the project fund but since the project will not proceed, no funds will be paid out.

Chile copper strike

BY OUR OWN CORRESPONDENT

TWO CHILEAN Cabinet Ministers yesterday flew to the Big El Salvador copper mine hoping to settle a dispute over a new labour contract which has brought 4,600 workers out on indefinite strike. El Salvador and its associated plant have been paralysed since Saturday night, after the workers rejected a 32 per cent. pay rise. This is the first strike in a major Chilean copper mine since the industry was nationalised by

SANTIAGO, August 3. the Government of Marxist President Salvador Allende last month. The Ministers who flew to El Salvador, 750 miles north of Santiago, were Mines Minister Sr. Orlando Cantuarias and Labour Minister Sr. Jose Oyareal. El Salvador has a daily copper output of some 3,000 tons. The strike is costing the State about \$25,000 a day, observers estimated. Reuter

BANQUE DE LA CONSTRUCTION ET DES TRAVAUX PUBLICS

Paris, France

BCT

The BANQUE DE LA CONSTRUCTION ET DES TRAVAUX PUBLICS was formed in 1962 by the following leading firms:

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- COMPTOIR D'ENTREPRENEURS
- CREDIT LYONNAIS
- SOCIETE DE BANQUE ET DE PARTICIPATIONS
- SOCIETE GENERALE
- UNION DES ASSURANCES DE PARIS
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BALANCE SHEET as at December 31, 1970

LIABILITIES	(in Frs. '000)	ASSETS	(in Frs. '000)
Banks of Issue, Banks and non-banking establishments on the Money Market	32,213	Cash, Banks of Issue, Public Treasury, Giro Accounts	9,946
—Deposit accounts and borrowings	58,465	Banks and non-banking establishments on the Money Market (Current accounts)	92,342
Commercial accounts		Treasury bonds and Securities received in pledge or bought firm	73,400
—Current accounts	155,455	Credits to customers:	
—Deposit accounts	77,997	—Short Term	76,067
Private accounts		—Medium Term	57,622
—Current accounts	20,825	—Long Term	76,915
—Deposit accounts	55,194	Credits to customers - Debit accounts	35,987
Special savings accounts	1,483	Equalisation accounts and sundries	65,776
Fixed deposit receipts	5,441	Sundry debtors	6,159
Equalisation accounts, Provisions and Sundries	70,187	Market transactions accounts	1,354
Sundry creditors	11,296	Investment securities	46,093
Market transactions accounts	172	Fixed Assets	32,519
Reserves	22,491		
Capital	53,000		
Balance brought forward	17		
Net Profit	12,965		
	577,230		577,230

CONTINGENT LIABILITIES

(in Frs. '000)

Securities given in pledge or sold firm	1,915,695
Guarantees on customers' behalf	179,376
Confirmed credits opened	796,863
Other liabilities	342,368

Export News

Volumatic seeks mirror distribution

A WORLD-WIDE export marketing group is being set up by the Volumatic Company, of Coventry, in conjunction with Associated Safety Products, of Australia, to organise the sale and distribution of the Volumatic range of convex, wide angle mirrors, which have applications in retail security and industrial safety.

One of the group's first moves will be the formation of a Volumatic subsidiary company at Rose Bay, New South Wales, Australia, followed by the appointment of a network of carefully selected distributors with interests in security and safety in each Australian state and ultimately in most major overseas export markets.

Distributors have already been appointed in Queensland, Australia; Dunvegan, South Africa; California and Rhodesia for the sale of mirrors in these territories.

The operation is being co-ordinated by Mr. William J. Sheehan, managing director of Associated Safety Products, and one time managing director of Securicor (Australia).

The Volumatic Company claims to have pioneered the use of convex, wide-angle surveillance mirrors in the U.K. eight years ago.

British wigs are best

A MEN'S hairpiece company, Gerry Rex, has set up subsidiaries with head offices in Copenhagen and Copenhagen, said a Press announcement yesterday. Between them they will cover the whole of Scandinavia.

Put so baldly, this may not appear a very promising export enterprise. However, the London sales director, Mr. David Press is reported as saying: "We intend to establish a network of overseas companies in all the affluent European countries, market research having shown us that the male nationals of those countries are prepared to spend money on concealing baldness with hairpieces."

Hairpieces make an ideal export. Freight costs and packing are low. The product is labour intensive and the making of hairpieces is a traditional British skill which not all other European countries have."

£1.4m. bookings at Brotherhood

PETER BROTHERHOOD is to build turbo-generating sets worth over £280,000, for large tankers being built at the Dutch yards of Verolme Dock and Shipbuilding Company and the Netherlands Dock and Shipbuilding Company, for BP Tankers.

The value of export orders for steam turbines won by Brotherhood of Peterborough since the beginning of the year exceeds £1.4m. These contracts have been secured in the face of fierce global competition.

Trinidad order

PRODORITE of Wednesbury, Staffs., has won an order worth £11,000 for corrosion resistant cement to be used in the building of power station chimney stacks at a large oil refinery in Trinidad.

"Jumbo" foam gun on show

A FOAM cannon, able to fire expanded foam a distance of 100 yards at a rate of 12,500 gallons a minute, is the "armament" on a new £10,000 crash tender being demonstrated to U.K. and overseas customers at Stansted airport this week. Visitors are attending from the U.S., Russia, Switzerland and Finland.

Being used in the demonstration is the first tender off the production line, which has been sold to Yugoslav Air Transport. It has been built with an eye on the safety problems created by Jumbo jets.

The 35-ton Pathfinder vehicle, designed and built jointly by the Pyrene Company and Reynolds Boughton Engineering Services, is claimed to be the highest and most powerful yet built. With a top speed of over 60 mph, it can carry 3,000 gallons of water and 300 gallons of foam additive.

Sales drive by BSP brings in £84,000 orders

EXPORT orders worth over £84,000 for drilling rigs, spiral weld steel cases, double acting bidders and a diesel hammer, have been received recently by the British Steel Piling Company.

Three contractors in Spain have each ordered a BSP 625 Terradrill. These sales are a direct result of a visit arranged for Spanish contractors to attend two open days at BSP at Ipswich earlier this year at which the 625 Terradrill was one of the new items of plant introduced to U.K. and overseas customers.

Tecnil of Lisbon, Portugal, has ordered 18,000 feet of spiral weld steel cases which will be used during the reconstruction of a quay wall at Bissau in Portuguese West Africa. This order will be shipped at the end of this month by chartered vessel from Ipswich to Portuguese West Africa.

Five double acting hammers with extracting gear, hoses and spare parts have been ordered by Natida and Masr, Benghazi, Libya, and Tolima Company of Tehran have ordered a diesel hammer.

As part of BSP's continuing drive for export markets, Mr. D. Hemmery, the company's sales director, left this week on a month's visit to the Middle East, India, Singapore, Malaysia, Australia and Japan.

In Australia he will attend the Melbourne Trade Fair at which BSP is exhibiting. Mr. M. J. Cummings, the managing director, is leaving shortly on a visit to America and Japan, where he will be meeting Mr. Hemmery.

GKN customers charter ship

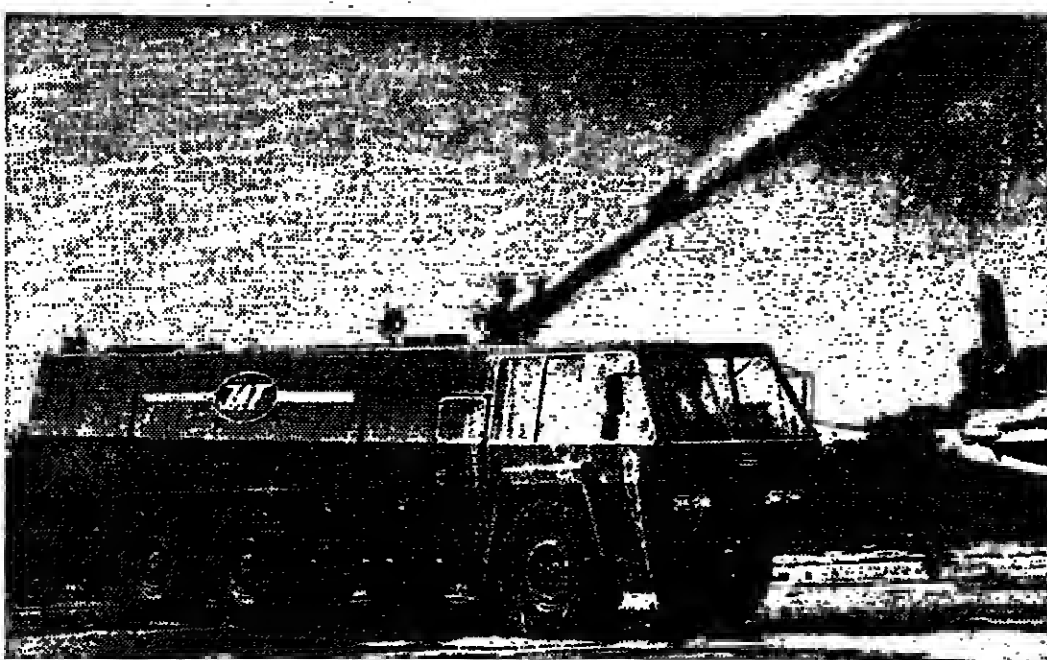
A SPECIAL charter shipment of 3,500 tons of steel sections from a Welsh rolling mill is on its way from Cardiff, bound for customers from the North American market.

The \$500,000 export order, consisting of standard slabs and angles produced by GKN (South Wales), is on board the 3,500-ton "Argo Sea", which was specially chartered by GKN customers in the U.S. A GKN spokesman said: "Trans-Atlantic sales are a very important part of our company's export trade, and this year we expect to fulfil orders from the North American market worth more than a million dollars."

Pye business with Poland

FOLLOWING participation in the Poznan Trade Fair in Poland, Pye Unicam of Cambridge has received export orders worth £45,000 for scientific instruments. Included in the lists of equipment are orders for eight gas chromatographs, instruments of the type that were used by British scientists to analyse moon dust samples.

The rest of the orders, received from the two Government buying agencies, Metronex and Varimex, are for ultra-violet, infra red and atomic absorption spectrophotometers.



Bahamas staging post for new air-freight service

BY RAY DAFTER

TRANSMERIDIAN Air Cargo, based at Stansted Airport, London, is to inaugurate an all cargo air service between Europe and the Bahamas linking with other distribution networks serving the U.S., South America and the Caribbean.

The first flight is scheduled for August 28. A spokesman for Transmeridian said yesterday that it was planned to provide at least four flights a month to Freeport, Grand Bahama, connecting with a sea feeder service to Miami operated by the "Freeport" roll-on, roll-off and passenger vessel. Outward shipment to other destinations in the U.S. would be provided by either Air Lift International of Miami or by road trailer services.

The spokesman claims that cost savings compared with International Air Transport transatlantic cargo rates varied

from 16 per cent to 35 per cent. It would be higher for return cargo destined for the Middle or Far East, he added.

Mr. T. Keegan, chairman of Transmeridian said yesterday: "We think this new service will not only attract business from companies trading with these areas but will also interest others who may not have used air freight previously because of cost."

Because very little return freight to Europe is generated from the Bahamas the airline has opened an office in Miami and entered into an arrangement with Air Lift International in order to develop return load traffic from the U.S. mainland.

The service, using large CL-44 freighters, has been organised in conjunction with the Grand Bahama Port Authority. Mr. C. G. Bernard, vice-president for commercial and industrial de-

velopment of the Authority, said he regarded the development as an important step in the further economic growth of Freeport. For the first time it could offer an integrated air-sea (and possibly land) freight operation. As well as generating freight business between the U.S. and Europe it was thought that the service, coupled with the duty-free facilities available at Freeport, would encourage more companies to set up Bahama-based assembly plants or storage depots.

Mr. Bernard added that the deep-water facilities of Freeport also made it an ideal location for handling large mineral and oil carriers. He stressed, however, that no development would be allowed to detract from the obvious visual and environmental attractions of the Bahamas, so important for the high tourist trade.

Buyers mailed ahead of Cologne menswear fair

FINANCIAL TIMES REPORTER

BRITISH COMPANIES will represent by far the largest group of foreign exhibitors at the important Cologne menswear fair later this month.

Some 43 companies will be there under the sponsorship of the Department of Trade and Industry, and the Clothing Export Council. In addition, 17 members of the British Menswear Guild will be taking part. With fibre producers and other organisations, the British participation is likely to total about 75.

An important part of the British drive has been the distribution in advance of the exhibition—which runs from August 19-22—of 4,000 copies of a joint catalogue in English, German and French on behalf of the 43 companies sponsored by the CEC.

These have been posted mainly to individual retailers and store buyers in 24 countries, but particularly in the Common Market. Mr. Julian Clifford of the CEC yesterday said: "This remains important, but this year I am aiming particularly at the Common Market countries, and I would single out West Germany which has a strong industry of its own. The major cut to crack is to get the German buyers to buy outside their home industry."

"My job has been to get them—and buyers in other countries—to look at our catalogue ahead of the show, to catch their attention and make them realise the effort that British companies are putting into the Cologne Fair this year."

In 1970, the 43 companies backed by the CEC hooked orders at Cologne worth £600,000. They have set themselves a target this

year, with the exhibition lasting four days instead of three, of £800,000.

For the first time, the British Menswear Guild and the Clothing Export Council are acting together at Cologne on a number of promotions. For instance, there will be a joint Press conference on August 18, at which the main speakers will be Mr. George Schneiders, chairman of the British Clothing Manufacturers' Federation, and Mr. A. V. Parker, chairman of the British Menswear Guild.

Among the many well-known U.K. brand names at Cologne will be Aquascutum, Banner Textiles, Chester Barrie, Daks Simpson, Mr. Harry, and Tootal.

Exports of men's and boys' clothing to the Common Market countries last year are estimated at something over £3.5m., with West Germany taking more than £1.8m. worth.

Motor-cycle exports up

WORLD DEMAND for British motor-cycles has shown a big surge in the first six months of this year, according to figures issued by the Cycle and Motor Cycle Association yesterday.

Production rose to 57,845—an increase of 30 per cent over the 44,487 in the first six months of 1970.

Export deliveries to docks rose by 32 per cent from 38,812 to 51,388. Of these, 72 per cent were machines in the luxury over 500 cc class.

Home market deliveries also showed a 14 per cent gain, big recent cuts in purchase tax and hire purchase terms are expected to bring further growth in the second half of the year, says the CMA.

The BSA Triumph group, in spite of its earlier problems, was responsible for no less than 82 per cent of the exports.

Hi-Flex market deal in U.S.

AGREEMENT has been reached between Sundstrand Corporation of Rockford, Illinois, and Hi-Flex International—the BTR Industries subsidiary—under which Sundstrand will manufacture and assemble under license the complete range of Hi-Flex products in North America and Mexico. The product range will be marketed in those territories under the brand name "Silvoflex."

Hi-Flex International develops and manufactures high-pressure hose assemblies and associated products for the hydraulics and pneumatics industries. Sundstrand Corporation is an international organisation, which manufactures an extensive and highly diversified line of proprietary equipment systems, machinery and components, which are supplied to original equipment manufacturers in the electronics, electrical, electronic, heat transfer, hydraulic, hydro-mechanical and hydrostatic industries.

High speed hot water for Shell

M. E. BOILERS of Peterborough, have received a £24,000 order for a high-pressure water heater from Shell Internationale Petroleum Maatschappij, in the Hague, for experimental use on a Dutch magnesium salt recovery process. The water heater will be fired on natural gas.

GARDENS TO-DAY

A notable anniversary

BY ROBIN LANE FOX

FOR ME, gardens to-day begin with gardens yesterday as no garden is ever entirely new. I know that I will never see an original garden and I am sure that even if I could, I would dislike it. This is not because my taste is reactionary; the best gardens are different, not "old world," and they pick up themes from the past, developing them in a new way. They do not imitate old ideas irrespective of their setting. Most important of all, plants themselves are a living tradition with which no gardener can ever break; this continuity both in gardens and in the contents was brought home by a notable anniversary last week.

On July 25, the Oxford Botanic Garden, the oldest in this country, was 350 years old. Though scientific or medicinal, botanic (and physic) gardens held a special place in garden history, not only as the employer of some of our most colourful characters but also as the homes for many of our oldest specimens of shrubs and trees. Inevitably they are torn between botany and gardening but they still have much to teach the inquiring visitor. Their range of plants is always very wide, bandily grouped into families; inside their walls, beauty often gets the better of experimental science, helped by history in the background, and nowhere is this more evident than at the father of them all. On one side flows the River Thames, on another lies Christ Church Meadow, in front stands the tower of Magdalen College, which King James I described as his "absolute building in Oxford." The gardens are open every day, free of charge; do not be deterred by the middle of box-wood beds with which a 1950's garden designer wrecked the front courtyard and left her own bad taste in one of the finest potential sites in Europe.

There is no mistaking the age of the Oxford garden's bones. Its main gate was designed by Inigo Jones, its surrounding wall is 14 feet high and more than five hundred yards long. Both have lived to tell the tale. The gate is named after the garden's founder whose bust it contains: he was born in 1558, a raffish gentleman of Yorkshire family named Henry Danvers (later Lord Danby) and though his youthful career was dramatic, involving a flight to France, his alleged connection with Shakespeare's Romeo and Juliet is only evident to A. L. Rowse. In 1621, he leased five acres of ground, which had long been a Jews' cemetery and agreed to pay £2

a year to Magdalen College, its landlords, the agreement to be reviewed but the price not to be altered. His garden now occupies the finest building space in the city and is eyed begrudgingly and unforgivingly for student housing.

By 1633, after four thousand loads of muck and dung had been spread by the university scavengers, the wall round the garden was complete, designed to rival any wall in Oxford. This it for truth and beauty. This it certainly does, besides botanising a remarkable collection on its warm south and west faces: several rare Jasmines, two fine blue Ceanothus and a full grown Actinidia with its weird multi-coloured leaves are especially worth seeking out.

A compromise

At more mundane level, the wall protects one side of the garden from river floods. But truth, beauty and protection proves an expensive business, and largely because of the wall, only £40 a year were left with which to pay for a professor. The Royal gardener, Tradescant, refused, and in desperation, the post was offered to the keeper of the next door man, a retired German soldier from Brunswick called Jacob Bohart. Many compromise appointments for an academic job have been as strange but none has been more successful.

Bohart was a showman with a sense of style; his appearance was grotesque and he would decorate his beard and all en-girdling whiskers with little tags of silver on high days and holidays. He was followed round the University by his pet goat; and outside the garden, his workmen were considered outlandish. But he saved his finances and started the garden at one and the same time, planting fruit and vegetables inside its walls and selling their produce to the public, while his son, later his successor, took the garden's fruit in London and kept a seed-stall at Carfax, centre of Oxford City, to make ends meet.

Two huge yews still survive where Bohart planted them though the two topiary giants which he placed either side of the main gate and which moved down the garden to send him a poem have unfortunately disappeared. But a memento of his immediate successor is still flourishing and of great interest to gardeners: Robert Morrison, appointed in 1679, until his death four years later in a traffic

accident, not only anticipated Sweden's Linnaeus and classified plant families according to their sexuality, but also took a great interest in variegated plants: even breeding a variegated Sycamore. Several heads of unusual variegations are kept in his memory and for gardeners who wish to use these rays of fashionable leaves to light dark corners, a visit to Oxford would be well worthwhile.

In the eighteenth century, the garden was far from neglected partly due to lack of funds and partly due to the bequest of William Sherard, former consul in Smyrna in Turkey, who left money and a wonderful collection of dried plants but insisted that the next professor be a Dutchman interested in the description of mosses. Gardeners' day have little to learn from him alone from his successor who as one of these Fellows of Magdalen whom the historian Gibbon denounced as "deep men who suddenly enjoy the life of the Founder," only gave a lecture in his lifetime, and very had one into the bargain.

His son, James Sibthorp, was far more enterprising and it was he who commissioned one of the garden's glories, the Greek Plan whose coloured plates have made it one of the most highly prized books for the rich investor. The garden, not the library, began marked the beginning of the tree-planting for which the small Oxford garden is now famous.

For however scientific its location, however historical its collection of roses and however useful its attempts at a re-garden and herbaceous border it is for its trees that the garden deserves to be so prized. The Male Ginkgo, the Tree of Heaven, the Magna, the Prickly Juniper, the Day Redwood, the Chinese Pagoda tree and the venerable kinds Sorbus: these are treasures of any gardener to visit, remember that it was also in Oxford that the Eastern Plant was married the Western Plant as produced as their son, London plant-tree which Europe now admires. He held a wall of truth at beauty and a gate of not design, the continuity of garden is very evident: it was fitting that on the garden's birthday, Mr. Harold Macmillan could plant a Scholar Tree at the University's remarkable Professor of Botany could reply to 150 years later, on the 300 anniversary of the site, that the tree would be flourishing a giving of its scholarly best.

Mechanical engineering 'lack of knowledge' on EEC entry

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

MANY companies in the U.K.'s mechanical engineering industry, which has a turnover of £3,000m. a year, show a disturbing lack of knowledge about the changes which will confront them when Britain enters the Common Market, according to Sir William Strath, president of the British Mechanical Engineering Confederation.

Sir William makes the point in a foreword to a comprehensive study of the implications of EEC membership for the mechanical engineering industry, published by the Journal Engineering on behalf of BRIMEC.

Despite the difficulties, BRIMEC makes it clear that it supports U.K. entry for five main reasons:

1—The vital need for wider markets in the highly industrialised areas of the world, EEC being by far the largest import market for mechanical engineering products as well as the one most easily accessible to the U.K.

2—The lack of any realistic long-term alternative to EEC membership. The European Free Trade Area and closer links with the Commonwealth are not con-

sidered satisfactory substitutes and a North Atlantic Free Trade Area "is a chimera."

3—The sense of taking the plunge rather than waiting, perhaps merely hopelessly, until our relatively slower growth rate is nearer to that of the Community.

4—The recognition that many of Britain's problems, such as the balance of payments, can only be solved within an international framework.

5—The stimulation which an environment within an enlarged EEC will bring, admittedly with attendant problems, but which will ease the solution of these problems," the book says. "Even so, membership will be far from painless, particularly for some of the engineering industries. Individual companies will need

diligently to search out economic data for their particular products and to plan ahead."

The book suggests that it could be clear advantages for mechanical engineering industry through entry.

At present U.K. mechanical engineering exports to the EEC are about equal to the exports of the Six to Britain. But in early transitional period U.K. exports to the other nine members of the Community, mainly by the admission of the U.K. to Denmark and Norway, could amount to 20 per cent more than exports of the nine to Britain maintain.

The total market for mechanical engineering products in the EEC would be worth nearly £9,000 a year, it estimates.

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CONSOLIDATED ACCOUNTS

	1969	1970
	(£ million)	(£ million)
Sales (excluding value added tax)	552.9	651.7
Cost of sales	57.5	61.5
Net income	29.9	28.9
Net income excluding minority interests	23.4	21.3
Net profit per share (in £)	1.59	1.44
Net assets	227.8	242.6
	(in Frs.)	(in Frs.)
Price range (Paris) High	228	206
Price range (Paris) Low	172	171
Dividend per share	7.0	8.0
Tax credit	3.5	4.0

INDUSTRIAL ACTIVITIES

In 1970, consolidated production of aluminium by the PECHINEY GROUP totalled 624,400 tons.

The Group continued its investments in the aluminium sector extending existing works and setting up new factories. In France, the programme to modernise and extend the existing works, which was started in 1969, aims to increase production by 40,000 tons/year. In the U.S.A. the Eastalco (Maryland) factory with a capacity of 78,000 tons/year began operating in 1970. In Greece, the output of the Saint-Nicolas works was increased at the end of 1970 to 150,000 tons/year, whilst in Spain, Aluminio de Galicia is extending its capacity.

Once these programmes have been carried out, the total consolidated output of the PECHINEY GROUP for virgin aluminium will be approximately 880,000 tons/year. With regard to remelt aluminium the Affimet company was set up in association with Penarroya, and will become the leading European company in this field with an annual output of 70,000 tons in 1971.

When the extension programme of the Gardanne (France), Saint-Nicolas (Greece), Kimbo-Fria (Guinea),

Gladstone (Australia) plants will be completed, the Group's consolidated capacity of alumina will reach approximately 2,000,000 tons/year.

Sales of aluminium by Aluminium Francaise totalled 583,644 tons, of which 36% was exported. 67% of the total tonnage was delivered to companies within the Group or to affiliated companies.

In the U.S.A., Howmet sold 49,000 tons of aluminium, whilst another 72,000 tons were used in its own processing plants.

In spite of unfavourable conditions during the second half of 1970, tonnage of copper delivered by Tréfilum GP decreased by only 5% compared to 1969 whilst the turnover showed a rise of 11%.

Electrochemical products showed good results: turnover increased by 25% for silicon, ferro-alloys, abrasives, and an appreciable rise was recorded in graphite sales. The restarting of an important programme for atomic power stations favours the activities of PECHINEY's affiliate company CERCA (Compagnie d'Etudes et de Réalisation de Combustibles Atomiques).

RESEARCH AND DEVELOPMENT

To maintain the technical standard of the Group, research investments in 1970 for metallurgical activities totalled Frs. 80 million.

Net returns from sales of patents and techniques amounted to Frs. 27.6 million.

FINANCIAL OPERATIONS

To help finance development abroad, various transactions were carried out including an issue, in December 1970, of a 15 year bond loan for 25 million Eurodollars.

THE FUTURE PECHINEY-UGINE KUHLMANN GROUP

The merger operation undertaken with Uguine Kuhlmann will result in the setting up of a powerful and diversified industrial complex with a turnover of approx. Frs. 15,000 million and a cash flow of Frs. 1,500 million and a research budget of Frs. 500 million.

The Annual Report may be obtained from PECHINEY, Service de l'Information, 38 Av. Hoche, 75 Paris 8e (France). Tel. 237.84.73.

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European News

6% DM revaluation probable

By Malcolm Rutherford

BONN, August 3. Herr Franz Eppinger, spokesman for the Board of Deutsche Bank, has told the press that he and his fellow directors no longer have any doubt that the effect of the quasi-revaluation of the D-Mark will be to move to more than 6 per cent in the near future.

The Bundesbank as a whole, he said, was convinced that there was no possibility of a return to parity of DM3.36 to the dollar, even though some of its members had firmly believed this could be done when the floating began in May.

Ever since then, while there has been a series of fluctuations, the dollar's general trend has been downwards, but the 6 per cent D-Mark revaluation has still not quite been achieved. It is generally admitted, however, that the Bundesbank's intervention policy will now come easier with the nature of the week of the last of the year deals made when the D-Mark was still supporting the dollar at its official floor price of \$3.50.

Herr Ulrich based his optimism on the developments on the floating view of the economy. The longest boom in Germany's star history is now definitely over. It has been replaced by a period of stagnation at a high level, and there need certainly be no fears of a recession this year. There are signs, of course, of the word "stagflation". Herr Ulrich said that the rise in the cost of living would come to accelerate and would only reach an annual rate of 10 per cent. He also forecast a 10 per cent rise in company profits this year, between 10 and 15 per cent, though there might be some notable exceptions. Nevertheless, there were some signs that companies may be planning to overcome the difficulties caused by the recent extension of costs. This view of company recovery has been put in more optimistic terms by Paul Liechtenberg, joint spokesman for the Commerzbank, the picture of an economy stagnating at a high level is fine out by the latest batch of economic indicators. These show that new orders in industry in June were down by 1.5 per cent on the previous month, a fall less than is usual at this time of year. A sharp rise in demand for retail goods, especially from abroad, made up for falls in other sectors.

Giscard takes new steps to prevent revaluation

BY ADRIAN DICKS

THE FRENCH Minister of Finance, M. Valéry Giscard d'Estaing, today announced a series of relaxation of exchange control regulations in yet another firm effort to resist pressures to revalue the franc. Only yesterday the authorities acted to limit the inflationary impact of recent, strong speculative inflows into Paris on the domestic money supply. They steeply increased levels of compulsory deposits by the banks with the Banque de France.

It is not yet clear what the overall impact of the new dispensations will be. But, in spite of a considerable trade results showing a significant slowdown in the rate of growth of exports since last year, the new measures will have the effect of stimulating imports.

Importers are now to be given greater scope for forward buying of foreign currencies as well as for spot purchases, and will also be allowed to put down as much as 30 per cent of the price of imported capital goods instead of 10 per cent, as previously. Moreover, French companies will now be able to transfer funds more easily out of the country for direct investment abroad.

On the personal level allowances are to be increased from Frs2,000 a head (£150) to Frs3,500, for an unlimited number of journeys. Personal allowances for business travel are also being increased.

Residents abroad

In addition, French residents abroad will be able to transfer their capital out of the country after two years, and rules affecting certain other payments such as the upkeep of property abroad will also be relaxed. It is not however clear as yet what the effects will be on portfolio investment abroad.

Following yesterday's increase in compulsory reserve levels and M. Giscard's latest declarations at the end of last week that the franc will not be revalued, exchange dealers here are inclined to take the current firm direction of French monetary policy at face value.

Many now believe the Government has adopted a position against revaluation so strong that it would be impossible, as the greatest political difficulty in reaching any kind of compromise with West Germany, and

certainly not before the latter returns to a fixed parity.

One result of this has been to reduce considerably the flow of speculative funds into Paris. The dollar has in the last day or two been looking very slightly healthier and dealers report that they are experiencing no shortage of francs.

But while the immediate intentions of French policy of weakening the franc's position on the exchanges seem to have been achieved, some market sources are doubtful about the effectiveness of them in the longer-term.

On the one hand it is pointed out that the greater the number of measures that have to be taken, the more the French authorities will unwittingly reinforce the view that the franc is in fact over-valued. On the other hand some people fear that too strict a policy towards the banks could in the long run have the effect of raising interest rates once again to levels high enough to straiten fresh short-term inflows.

Reuters adds from Paris: The French franc showed little reaction on the foreign exchange market, latterly being quoted at \$5.142/50 after \$5.133/50 and \$5.142/50 at the end of official dealings.

Romania's absence shows sharp differences

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

ROMANIA'S exclusion from the East European "summit" held in the Crimea at the beginning of this week has sharply underlined its differences from the other members of the Warsaw Pact in the field of foreign policy. President Nicolae Ceausescu's absence from a meeting of all East European Party leaders suggests that subjects on which he has an independent way of thinking—namely China and the Middle East—were high on the agenda.

If the meeting was convened hastily by Moscow—even though there is no direct evidence that this was the case—it may well be that the Kremlin feels in danger of being overtaken by events. It is the first time the Party leaders have met since President Nixon announced his intention of going to China.

President Ceausescu's warm reception during his recent visit to Peking is something that the Soviet leaders will have viewed with very mixed feelings. The fact that he may have lent a hand in getting the U.S. President invited there will have angered the Russians considerably. Moscow sources pointed out yesterday that the communiqué of the Crimea meeting endorsed the strongly anti-Chinese line taken by the International Communist "summit" held in Moscow in 1968. This was a line

which President Ceausescu had conspicuously declined to follow.

Common concern was also expressed at this week's meeting on the so-called "lawlessness" in the Sudan. This was certainly not the main subject, however, as the same lawlessness was vigorously condemned by the Romanians themselves last Friday. More likely it touched on the alignments now likely to emerge in the Middle East following the unexpected (to Moscow) counter-coup of President Nimsai.

In Bucharest, some Romanians are pointing out as significant the fact that Mr. Alexei Kosygin, the Soviet Prime Minister, who takes a relatively dovish line with Warsaw Pact members by events. It is the first time he may get out of step, was not present in the otherwise high-powered Kremlin delegation to the Crimea.

These Romanians are also concerned at the manoeuvres being held this week by Soviet, Hungarian and Czechoslovak troops close to Romania's Western Frontier. Further manoeuvres are to be held, with Soviet participation, in Bulgaria in the next week or two, even though Romania is believed to have told the Russians that it will not allow their troops passage across Romanian soil.

Poland sees threat in larger EEC

By Our Own Correspondent

WARSAW, August 3. POLAND sees Britain's entry into the Common Market as a serious threat to her food exports. The Catholic weekly Tygodnik Powszechny, reviewing the effect Britain's entry is likely to have on trade with Poland, said today this country could expect the external customs barriers of the EEC to cut off about £20m. worth of exports to the United Kingdom each year.

This represents a third of Poland's annual trade with Britain. Hardest hit, the newspaper said, would be Polish ham, bacon and eggs, the mainstay of her food exports. Bacon alone accounts for half of this country's food exports, and the present agreement on bacon exports to the British market expires next year.

In 1970 Poland exported 47,000 tons of bacon to Britain, down by 5,000 tons from the 1965 figure. Exports of eggs stood at 35.5 million, down from 76 million five years before.

On a slightly smaller scale, Polish exports of butter to the United Kingdom, which last year amounted to 12,000 tons, would also be affected.

The Poles have no illusions about the relative importance of this to British economic planners or about their chances of getting a special deal to protect Polish exports. To us, British contacts play an important role. To the British, Warsaw is a rather marginal partner," Tygodnik Powszechny said.

Dutch to moderate expenditure

By Our Own Correspondent

THE HAGUE, August 3. VERY STRONG measures are needed to reverse excessive consumer investment and Government spending in the Dutch economy. The growth of Government expenditure will have to be moderated, particularly in the near future. At the same time, room will have to be made for urgently needed new facilities by economies in other parts of the budget.

This was the main theme of the statement in the new Dutch Cabinet's policy for the next four years, made by Premier Mr. Barend Biesheuvel when he opened a three-day debate on the Government programme in the Lower House this afternoon.

ITALIAN ELECTRICAL APPLIANCES

No longer a status symbol

BY PETER TUMIATI, ROME CORRESPONDENT

THE INFANT PRODIGY of Italy's postwar industrial boom, the electrical household appliance industry, is in the doldrums, like most other Italian industries. The Italian domestic demand for its products has fallen heavily, and in the first half of this year has gone down about 20 to 30 per cent. However, domestic sales account for only about 40 per cent of production with exports accounting for about 60 per cent, and since exports have risen by nearly 10 per cent the industry expects production by the end of the year to be at about the same level as last year.

Less than 20 years ago the Italian electrical household appliance industry did not exist. Enterprises which now have thousands of employees and an annual turnover in sterling with seven and even eight noughts to it, in the early fifties did not exist or were artisan concerns making charcoal cooking ranges for mountain peasant families. According to a recent statement by the President of Italy's biggest manufacturer in the field, Signor Lamberto Mazza of Zanussi, to a standing committee of the Chamber of Deputies Italy produces 48 per cent of Europe's refrigerators, 36.37 per cent of its washing machines, 43 per cent of its dishwashers and 30 per cent of its cooking ranges. The Europe he was referring to included the Common Market nations, those of EFTA and of the rest of Europe.

Doldrums

The industry is accustomed and geared to a very high annual rate of increase in production, sales and profits. Until now it has always maintained a high rate of investment achieved entirely by ploughing back profits. The annual sales of the industry as a whole have been estimated at lire 418,000m. in 1968, 459,000m. in 1969 and 532,000m. (£333m.) in 1970 which meant a 17 per cent increase in 1969 over '68 and 8 per cent in '70 over '69. These figures show that the doldrums really started in 1970, not this year. Although no figures on

the aggregate sales of the companies of the sector are available before 1968, the annual rate of increase in the middle fifties and sixties is believed to have been well above the 17 per cent of 1969 over '68.

The difficulties now facing the sector have been caused by a number of factors. First of all the European market is said to be approaching saturation. It is estimated that 84 per cent of Europe's households now have a refrigerator (against 36 per cent, 10 years ago), 66 per cent have a washing machine (31 per cent, 10 years ago) and 83 per cent a modern cooking range. The electrical household appliance is thought to have lost its value as a status symbol. In coming years an ever increasing percentage of sales will be replacement ones. In Italy it is estimated that by 1972 90 per cent of all households will have a refrigerator, 73 per cent a washing machine and 13 per cent a dishwasher. Over 40 per cent of Italy's domestic refrigerator sales already are replacement ones.

Estimates of sales over the next two years in the Common Market and EFTA countries give a likely level of 7.5m. refrigerators, 6m. washing machines and 7m. cooking ranges. Italian production last year was 5.2m. refrigerators, 2.7m. washing machines and about 1m. cooking ranges. If these projections for demand are anything like right the prospects for the electrical household appliance industry are no longer very bright. It looks like being squeezed between flagging demand for its products, increased competition among their manufacturers and rising production costs, particularly labour ones.

In the circumstances it is hardly surprising that the biggest groups in the field in Italy should be opposing any further expansion in productive capacity. In his testimony to the committee of the Chamber of Deputies Signor Mazza says bluntly that a "turning point" for the entire industry had been reached. He voiced the view that the emphasis from now on should be placed on research for new

materials and productive techniques, on market research and better methods of distribution and sales.

The merger stage has already been reached. In the last few years Zanussi has taken over five other companies and today it has 30,000 employees and annual sales of lire 257,000m. (£158m.). The second largest group in Italy, Ignis, has already been or is on the way to being taken over by Philips of Holland and several of the smaller groups are getting together. The odd one out in this trend to growth through take-overs rather than through increased capacity in Italy, which, incidentally, is probably Italy's largest exporter of electrical household appliances to Britain.

Of all Italian manufacturers Ignis is the only one to be expanding capacity with a new plant, at Caserta, just north of Naples. Most other manufacturers are highly critical of Ignis's move, claiming that Indesit will be increasing its capacity mainly thanks to government funds since it will benefit from all the special incentives for investment in Southern Italy.

Until now the industry has been strong on manufacturing but weak on marketing. Manufacturing on behalf of other European companies has become one of the characteristics of the Italian industry. The largest companies of the whole sector, Zanussi and Ignis, have been making refrigerators, washing machines and dishwashers for some of the oldest and most famous names in the field who then market them under their own trade marks. Almost as many appliances carrying trade marks such as Hoover, Philips or AEG, for instance, have been collared off the Zanussi and Ignis assembly lines as those carrying Zanussi and Ignis trade marks. It is estimated that appliances built to order account for between 35 and 40 per cent of total exports. Only two of Italy's major manufacturers, Candy and Indesit, have deliberately pursued a policy of manufacturing and marketing only under their own trade marks.

Dependence on "manufacturing on behalf" in the electrical appliances sector has caused concern for many years. But it appears to have produced two quite different results in the two most important cases, Ignis and Zanussi. The most important client for the former was Philips of Holland and the outcome has been the establishment of a new company, Ire, in which Philips has at least 50 per cent, and which has taken over control of the whole group. Philips now has very much of a say even in the actual day to day running of Ignis from the manufacturing point of view.

Secretive

In Zanussi's case the most important client was Germany's AEG. The outcome has been the establishment of a company for the group to which, however, AEG only has 25 per cent, and has little or no say in the day to day running of the group. However this does not mean that full control of Zanussi has been retained by the former owner of the company; 49 per cent of Zanussi's shares are understood to have been handed to an ad hoc consortium of Italian banks under the leadership of the state-controlled IRI as security for a £33.3m. loan.

None of the Italian appliance companies is publicly quoted, and all of them are secretive. But perhaps the plus of the industry can be summarised in the points of view of the president of Zanussi outlined to the Italian deputies as the guidelines of his group which now has a little less than half the total sales of the entire sector. The points were: 1—The streamlining of manufacturing capacity; 2—the streamlining of sales and servicing in Italy and abroad; 3—the rationalisation of products to reduce to the minimum unnecessary diversities and to unify as much as possible component parts and materials; 4—an increased drive in the field of research to avert the danger of product and marketing obsolescence, to face a possible resumption of foreign competition.

Allied Colloids Manufacturing Co.

(Manufacturers of Industrial Chemicals)

FURTHER GROWTH AND SUCCESS ENVISAGED

The Annual General Meeting of Allied Colloids Manufacturing Co. Limited will be held in Bradford on 26th August, 1971. The following are extracts from the circulated statement of the Chairman, Mr. J. Dawes:

The results to 31st March 1971 again reflect the success achieved in meeting industrial requirements for specialty chemicals. Total Group sales to external customers increased by 44%. Sales to overseas customers increased from 38% to 47% of total Group sales. Group pre-tax profits were £650,721, compared with £460,820. A dividend of 30% for the year is recommended which compares with the adjusted distribution of 25% for 1969/70. A one-for-five scrip issue is also proposed.

THE CURRENT YEAR

The subsidiaries in U.S.A., Canada and South Africa completed their full year of trading and together with our Australian subsidiary, contributed 44% of our Group external export sales. Our specialties are of general industrial use and of world wide application. As our future success increasingly will be in overseas markets, we augmented the staff of these overseas companies last year and plan to continue this in the current year. Our future lies not only in selling more of our existing products but in evolving new techniques of manufacture, from our research department producing new specialties and from our sales and technical service departments establishing their application throughout the world. In the second half of the last year and in the current year to date we have incurred much extra expense in these areas in order to ensure our future growth.

In the first three months of the current year our sales are ahead of those for the first three months last year but, because of the increased expenses referred to, profits are likely to be somewhat less. It is virtually impossible to forecast what our results for the whole of the current year are likely to be. We know that world industrial appetite for specialty chemicals will continue to grow. Our range of products includes chemicals for a wide spread of industrial applications. We have every confidence that our policy of expansion will be reflected in further growth and success.

LA REDOUTE

ROUBAIX, FRANCE

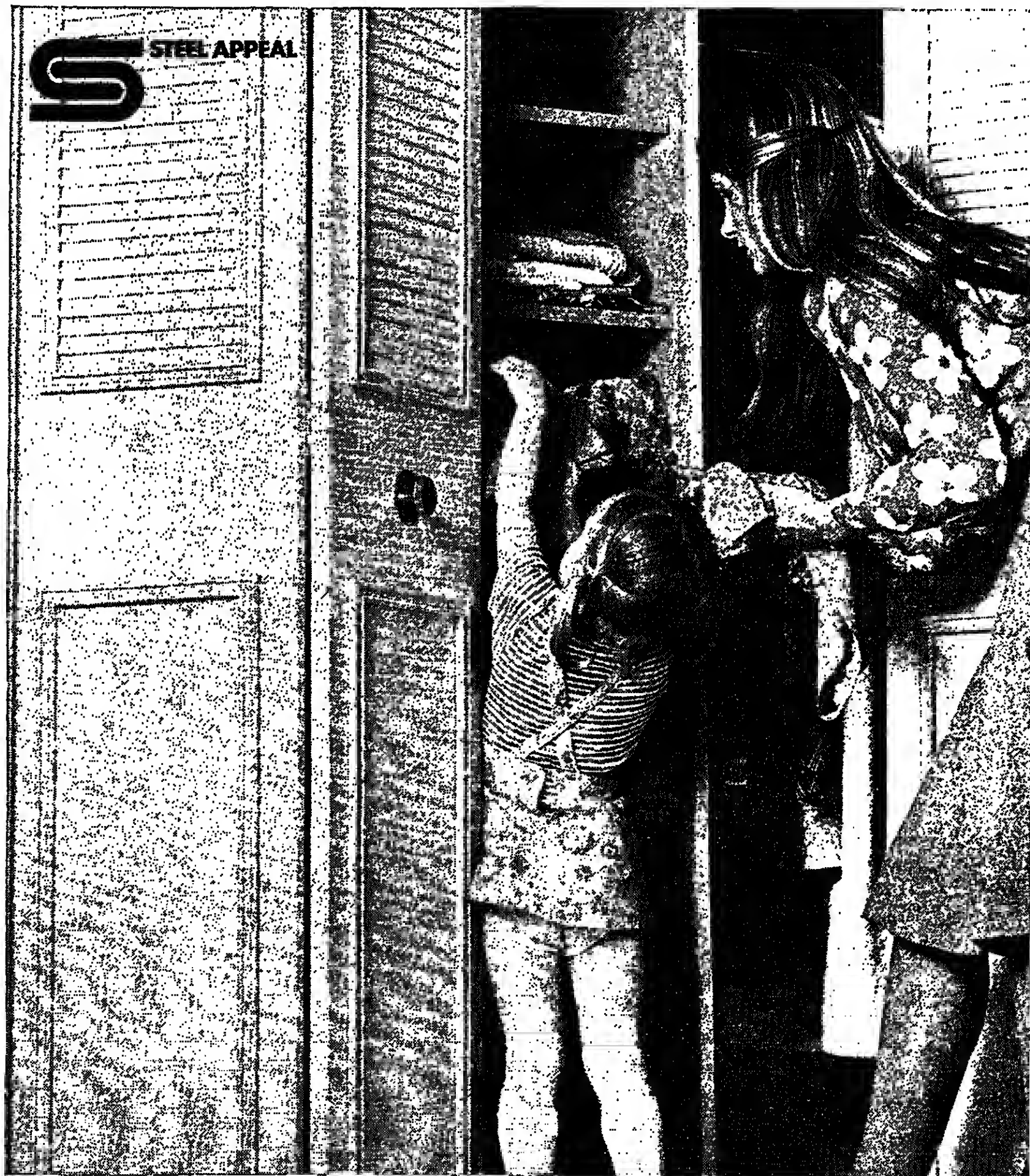
The Annual General Meeting of LA REDOUTE was held on July 27, 1971, under the chairmanship of M. Henri Pollet, Chairman and Managing Director, to approve the Accounts for the financial year 1970/1971 which closed with a net profit of Frs. 18.8 million before allocation to the shareholders' reserve.

The net dividend was fixed at Frs. 8 per share, which when supplemented by the tax credit, brought the overall revenue to Frs. 12.

All resolutions were adopted unanimously.

In his speech, M. Henri Pollet stressed, that: "the year 1970 was particularly favourable to distribution in France. Sales remained low and results were often bad, however, despite a slowing down in the rate of increase, our Company nevertheless showed satisfactory results at the end of the financial year. In order to promote our position in the Common Market, we have taken a majority shareholding in the FARTHA company which holds a promising position on the Belgian market of name brand."

In the same way, we have set up the Société Nouvelle Expansion Redoute to bring together our three blocks and thus facilitate new developments. I should like to say a few words on the present year. At the end of June our activities had increased by 12%. This rate is expected to grow during the autumn-winter season."



'Duet' bi-folding doors by P. C. Henderson Ltd., Runcorn. For fitted wardrobes, hall cupboards, kitchen pantries and other storage areas.

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British Steel Corporation

Other Overseas News

IN BRIEF

● **SOUTH VIETNAMESE** Vice-President Nguyen Cao Ky seemed in deep political trouble yesterday with only one day left in which to qualify as a candidate for the South Vietnamese Presidential election and less than 80 of the 100 signatures of support he legally requires from provincial councillors to run.

● **IRAN'S** National Oil Company has announced plans to build a 22,000 barrel per day refinery on Lavan Island in a joint venture with the Yugoslav Oil Company.

● **SYRIA** forced a Middle East Airlines Boeing 707 plane with 100 passengers and crew on board to land at Damascus Airport yesterday while on a direct flight from Amman to Beirut and allowed it to resume its flight after a 45-minute stay during which the captain, a Lebanese, was questioned by Syrian authorities.

● **AUSTRALIAN** railway services in all States except Queensland and Tasmania are due to be stopped by strikes to-day. The stoppage, originally planned for 24 hours, is now said to be indefinite.

● **KUWAIT'S** Fund for Arab Economic Development and the World Bank will make a joint technical assistance grant equivalent to \$400,000 (or KD142,858) to the Yemen Arab Republic, to finance a team of planning and technical experts in economic development activities.

● **INDIA** will regard any move for postponing United Nations observers on Indian soil as "a very unfriendly act." External Affairs Minister Swaran Singh said yesterday.

● **SOUTH AFRICA**—The trial of the Very Rev. Gonville French-Beytche, Johannesburg's Anglican Dean, on charges of plotting the violent overthrow of the Government resumed in Pretoria yesterday. It is expected to last two to four weeks. The State's first witness, Mr. Louis Henry Jordaan, a police reservist attached to the security police, was still in the witness box.

India looks at foreign profits on cigarettes

By Our Own Correspondent
NEW DELHI, August 3.
INDIA'S Minister of Industrial Development Mr. Mohan Lal Bhaughey has agreed to a suggestion that the question of reducing foreign profits repatriated by foreign cigarette companies should be legally examined. Mr. Bhaughey said to-day that foreign cigarette companies had expanded their production capacity beyond that permitted by the Government and it was his ministry's intention to "break their monopoly" in the industry. The ministry planned to give licences to 13 Indian cigarette companies as well as to state governments interested in starting cigarette factories. In 1969 the Imperial Tobacco Company (known here as India Tobacco Company) remitted as profits to Britain Rs.13.83m, a progressive rise over the previous three years.

AUSTRALIAN POLITICS

McMahon looks for loyalists

By MICHAEL SOUTHERN, AUSTRALIAN EDITOR

"In good straightforward Anglo-Saxon terms I have been sacked." That was Mr. Leslie Bury's simple answer to the announcement of his resignation from the Post of Minister for Foreign Affairs, which the Prime Minister, Mr. McMahon, made on Sunday. The Prime Minister's statement was brief, paid a "personal tribute" to the service of Mr. Bury to his country, and added: "My own association with Mr. Bury has been a long and pleasant one, but no one believes that."

In point of fact, the relationship between the two men was at best bad when Mr. Bury was appointed to Foreign Affairs from the Treasury four months ago in Mr. McMahon's first reshuffle of Cabinet as Prime Minister. It has deteriorated since. So last Friday, when the news of Mr. Bury's dismissal was leaked, sources close to the Prime Minister suggested that Mr. Bury was resigning because of ill health. The result of this was a weekend of speculation which ended with Mr. Bury announcing he was sacked prior to the Prime Minister's statement about his resignation.

Lusty life

Meanwhile, the Saturday and Sunday newspapers had been carrying the full story of dismissal, the names of the replacements and the reasons why—mostly quoting sources "close to the Prime Minister"—Mr. Bury for his part played in his statement that he planned a long and lusty life in politics. "I feel excellent. I am in wonderful health."

Some Canberra reports suggested that Mr. McMahon had hoped Mr. Bury would drop out of politics, and that he had his eye on Mr. Bury's safe seat. Mr. McMahon's electorate is one that requires a great deal of attention and by no means guarantees his return to Parliament at the next election. At the end of this affair, it was

Sudan recalls ambassadors from three capitals

By OUR FOREIGN STAFF

THE SUDANESE Government has recalled its ambassadors to Britain, Italy and Yugoslavia. It was announced in Khartoum. The Ambassador to London, Mr. Sayed Abdin Ismail, will be leaving later this week, an Embassy spokesman in London said.

He added that the Ambassador was not being returned home because of the coup last month. "It is a normal diplomatic reshuffle. He has been here two years and may be needed somewhere else. It has nothing to do with events at home because he is in total agreement with the Government."

Two other members of the London Embassy, which arranged interviews with two leaders of the coup who were in Britain at the time, have also been recalled. The two leaders, Lieut-Col. Bahakir el Nour and Major Farouq Hamadallah, were executed in Khartoum after being taken off a BOAC plane in Tripoli on their way home to take over posts in the short-lived revolutionary government.

Ambassador Ismail is thought to have had sympathies for the putschists and could have expected a post in their administration, informed sources said.

The Ambassador to Belgrade, Brigadier-General Osman Hussein Osman, left Belgrade for Khartoum yesterday for what an Embassy spokesman described as a previously arranged leave. The Sudanese Chargé d'Affaires in Kenya is also being recalled.

In a statement to the Middle East News Agency in Khartoum, the Under Secretary of the Sudanese Foreign Ministry, Mr. Fakhri el Din Mohamed, said his Government had expelled Soviet and Bulgarian diplomats because they had been in contact with the leaders of the coup. The Bulgarian Ambassador in Khartoum and the Soviet Ambassador's counsellor were asked yesterday to leave the country. The Bulgarian diplomat was given a week and the Russian 48 hours. The Under Secretary said that the recall of the Sudanese Ambassadors in Moscow and Sofia was in protest against the concentrated foreign aid given to Sudan which Khartoum regards as interference in its internal affairs.

"But this does not mean that we have asked or will ask the Soviet Union to withdraw their ambassador in Khartoum," Mohamed said, according to the news agency.

Our Moscow Correspondent adds: In spite of the harsh tone of yesterday's communique condemning President Nimir, issued after the East European leaders met in the Crimea and recent Soviet statements, it is thought that the Soviet reaction to events in the Sudan was basically one of perplexity rather than anger. It is not the first time that Arab protests have been troubled by internal strife and conflicts between opposing leftist groups in Sudan can only bring harm to the Arab world in Soviet eyes. One possible consequence of these internal disturbances could be a degree of rapprochement between the Soviet Union and Israel. There was speculation on these lines following the government crisis in Egypt in May and it would not be surprising if more feelers were put out towards Israel now.

It is not clear whether the Moscow will take any further immediate action in respect of Sudan. The communique issued yesterday clearly showed the position of the Soviet Union and the other socialist countries and it seems likely that they will watch any further development in Sudan before acting.

Mrs. Meir continues Suez talks

By OUR OWN CORRESPONDENT

ISRAELI Prime Minister, Mrs. Golda Meir, together with her Defence and Foreign Affairs Ministers, is due to continue discussions to-morrow on the American proposals for the re-opening of the Suez Canal to free navigation. These proposals were put forward by Assistant Secretary of State Mr. Joseph Sisco, during his meeting with Mrs. Meir yesterday.

In spite of a thick veil of secrecy around the talks, Mrs. Sisco is reported to have proposed the withdrawal of Israeli troops stationed on the East Bank of the Canal to a distance of 35 km. that is, up to the Mitla Pass. Mrs. Sisco is also reported to have proposed that a token Egyptian military force should

be allowed to cross the Canal in order to secure the technical work which will be engaged with the cleaning of the waterway.

Although Israel was prepared to accept a withdrawal to a certain distance, it still opposes any Egyptian military crossing. Israel is only prepared to allow the crossing of Egyptian technicians who would be protected by Egyptian civilian police.

Earlier Israel was advised that Egypt is prepared to cross the Canal only with infantry units, without any armour or artillery. President Sadat is also reported to have undertaken that no Soviet troops and advisors would be allowed to cross into the area evacuated by the Israelis.

During the meeting yesterday

Mr. Sisco dominated the two-hour session and he had exposed his ideas for an interim agreement. He is reported to have told Mrs. Meir that only such an agreement could assure an extension of the cease fire which went into effect last August 7, 1970.

Mrs. Meir to-day briefed those ministers who did not participate in the discussion with Mr. Sisco. In order to avoid leakage, a government meeting which was scheduled to take place to-day was postponed until Sunday. It is believed that before then Israel would submit counter proposals to the American proposals, to enable the American diplomacy to continue the dialogue with the Egyptian authorities on a possible interim agreement.

Japan faces uranium shortage

By OUR OWN CORRESPONDENT

JAPAN faces a serious and urgent need to obtain uranium resources and enriched uranium for this country's expanding nuclear power generation, according to a White Paper submitted to the Cabinet here to-day by the Atomic Energy Commission.

The paper warns that Japan, which now operates or is constructing 13 nuclear power plants with a total generating capacity of 7,126,000 kilowatts, will have a generation capacity from nuclear energy by 1985 of 60m. kilowatts. In 1967 the Atomic Energy Commission of Japan had predicted only 30 to 40m. kilowatt capacity 15 years from to-day.

AEC officials said in their White Paper that because of the new projections, Japan will require 18,000 tons of natural uranium yearly for use as fuel by 1975 and up to 120,000 tons

by 1985. It was suggested that Japan might have to launch a vast procurement programme within a few years.

Nuclear reactors now being constructed in Japan are of the light water type using enriched uranium as fuel. The AEC paper noted that this development will mean that demand for enriched uranium will reach 3,000 tons yearly by 1975 and more than 8,000 tons annually 10 years later.

Japan has been assured an adequate supply of enriched uranium by the United States for those reactors already built or construction of which has started by 1973. But the Japanese have no guarantee of such fuel supplies for reactors constructed after that date.

The White Paper reminded the Government that the supply capacity of enriched uranium plants in America currently

amounts to about 17,000 tons annually and that Japan can only be certain of obtaining a portion of these supplies in any event. Should the U.S. increase its production it will not be in a position to deliver all the enriched uranium which Japan and other non-Communist countries might want, the AEC paper noted.

Cabinet members were given the recommendation that the Government should soon begin drawing up fairly solid plans for securing enriched uranium from other sources, possibly from Britain, West Germany or the Netherlands or all three countries. The paper informed the Government that these nations were engaged in construction of enriching plants using the centrifuge method and that France was planning to build an enriching plant which would use the gaseous diffusion method.

Hotels "not against classifying"

THE HOTEL industry is not opposed in principle to the suggestion that there should be some form of registration and classification of hotels in Britain, a statement from the joint liaison committee of the British Hotels and Restaurants Association, the Brewers' Society and the Caterers' Association of Great Britain said yesterday.

"The compiling of a voluntary register, and even voluntary classification of hotels, would certainly be accepted by the members of our organisations."

"However, the British tourist Authority is currently carrying out a survey into this subject, and we feel it would be as well to await the publication of their report before firm decisions are made."

Summer only

It was difficult to see any case for compulsory registration of every type of accommodation down to the pub with one letting bedroom or the farmhouse which takes summer guests.

"It should be clearly understood that such classification would be entirely concerned with the 'vital statistics' of the premises, that is, number of bedrooms, bathrooms, restaurant opening hours, charges, and so on," says the statement.

"It would not be indicative of the standard of service provided, which comes under the heading of grading, and is, we feel, best left to independent organisations as at present."

Britt Ekland sued over shares deal

ACTRESS Britt Ekland, 23, the former wife of Peter Sellers, is being sued in the High Court over a share deal.

John Froust and Company, City stockbrokers, have issued a writ claiming £2,916 against the actress. The writ alleges that in February, 1968, she chartered accounts acting for Miss Ekland bought from the stockbrokers 5,000 shares in Zandpan Goldmining of South Africa. The shares were subject to a rights issue, the writ says.

There was a call of 50p per share, and the aggregate of call moneys due in March 1968, totalled £2,916.

The stockbrokers allege that, by an oversight, she did not debit Miss Ekland with the call moneys. The mistake was not discovered until May 1970, and they asked for payment in June. It has still not been paid, they allege.

Pakistan frees banks

By Our Own Correspondent

KARACHI, August 3.

THE PAKISTAN Government has announced withdrawal of all selective credit controls and ceilings of all kinds on lendings by commercial banks in East Pakistan. This is the first major step taken to provide complete freedom for the banks to launch their loan operations in East Pakistan without any major monetary obstacles.

The Government decision was announced by the Governor of the State Bank of Pakistan, Mr. S. U. Durrani while inaugurating a four-day conference of chief executives of banks and financial institutions.

The Government's intention is to give the banks incentives to expand credit in East Pakistan to the limits required to regenerate the economy. But banks in West Pakistan will continue to be subjected to discipline of selective credit controls and ceilings.

The chairman of the Pakistan Atomic Energy Commission Dr. I. H. Usmani disclosed in Karachi that a United Nations assisted programme will soon be launched to drill deep into uranium reserves found in Dera Ghazi Khan to discover the extent of the deposits.

Dr. Usmani said Canada would supply uranium until Pakistan could produce its own. He hoped Pakistan would become totally self-sufficient in its requirements of uranium fuel by end of the Forty Five Year Plan, in June, 1975.

Early vote

Mr. McMahon requires more support in the Cabinet, and indeed in his Party, in order to face the electorate with morale high. At present, the divisions within the Liberal Party are hemming greater and relations with the coalition Country Party worsening. There has been talk of an early election, mostly by the Prime Minister, which all other Liberals, the Country Party and the Democratic Labour Party, which supports the Government, have rejected. Elections must take place next year, but heartened by the results of the two Queensland by-elections, when the Queensland Liberal Party was resoundingly from the Labour Party on law and order issues during the state of emergency, Mr. McMahon is understood to be looking again at the prospect of an early vote.

"The only real indication of his plans, however, will be in the budget due on August 17. Both Mr. McMahon and Treasurer Mr. Billy Snedden have warned that a tough budget is needed, despite the strength of the economy. Mr. McMahon's choice lies now between a tough budget, or one which will produce enough handouts to the public at large to create a favourable atmosphere for an election. An early election would also help resolve the Gordon problem in that Mr. Gordon would have to retire as deputy leader and face re-election by the newly elected parliamentary party."



Mr. Leslie Bury, who "resigned" over the week-end as Foreign Minister.

reward. He cannot get it while Mr. Gordon is still in the Cabinet, and Mr. McMahon cannot get rid of Mr. Gordon as long as Mr. Gordon is deputy leader of the party. Attempts to have Mr. Gordon accept the post of High Commissioner in London, in place of Sir Alexander Downer, whose term was extended for one year and is now due to end, have failed. Mr. Gordon prefers to wait in Canberra, to remain in politics, and seize the opportunity to become Prime Minister again should it be presented.

In spite of Mr. Gordon's reluctance to go, a second Cabinet reshuffle is considered by some to be imminent, and Mr. Gordon may be the prime

Supertanker explosions: findings still inconclusive

By JAMES McDONALD, SHIPPING CORRESPONDENT

A SECOND REPORT, published to-day by the International Chamber of Shipping on its investigations into the explosions in three supertankers in December, 1969, is still inconclusive. But a considerable amount of new knowledge which has been passed on to operators.

The report says that "from the very nature of the electrostatic phenomena, it may never be possible to state in precise terms the exact cause or causes of the 1969 explosions but it is expected that the work now in hand will at least lead to knowledge which should prevent a repetition."

Three methods of controlling the tank atmosphere have been fully investigated. The report is not intended to advise for or against the use of any particular method. This is the province of the individual owner who must take into account his operating procedures and trading patterns.

"It should be emphasised that whatever method of tank atmosphere control is being used, it is essential that effective and reliable monitoring of the atmosphere takes place at all times."

Training in the operation of all methods of atmosphere control, monitoring and the tank-washing systems is basically gained by experience under on-board conditions, the report declares, together with detailed instructions in the form of relevant manuals. These systems are safe provided they are operated correctly by trained personnel.

Commenting on the report, Lord Geddes, chairman of the ICS tanker committee, said last night: "I commend the report to those interested in the furtherance of tanker safety." Lord Geddes declared.

Research has been carried out into the atmosphere in which tank cleaning operations are conducted and the report emphasises that while various methods are safe to operate, safety is dependent on full observance of the recommendations made and upon the proficiency of the personnel involved.

In its conclusions, the ICS report says that "although 18 months have passed since the 1969 explosions, it is still not possible to state their causes."

"Progress has, however, been made to that a number of possible causes have been eliminated. Considerable work is being undertaken into the phenomenon of electrostatic charging in tanks and ICS is hopeful that the results of this work will be worthwhile."

Arialing out of this work on electrostatics, the report adds, is important new information on the electrostatic charging of insulated probes. "This can be considered a significant and important item of new knowledge which has been passed on to operators."

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throughout the world are placing on this aspect of their work vast amount of research has been undertaken.

"In the past year, on electrostatic investigation alone more than £1m. has been spent. The research work will continue until the industry has an adequate understanding of the problem of electrostatics arising during the tank-washing process."

He emphasised the importance of the findings concerning the electrostatic generation of insulated probes "which is a major importance to tanker owners throughout the world regardless of the size of ship they operate. This is a most significant item of new information."

Control

"Extensive investigation has been carried out on the vital problem of controlling tank atmospheres and a great deal of useful information has been acquired. The report discusses in detail the various methods a present in operation to control tank atmospheres, certain aspects of which are still being evaluated. This work, in combination with that on electrostatics, will provide the shipowner with information of the highest importance to the safe operation of his ship. I commend the report to those interested in the furtherance of tanker safety." Lord Geddes declared.

Four more road schemes listed

FOUR FURTHER SCHEMES have been added to the principal road preparation list. Two are in Hertfordshire, one in Surrey and the other in Wigan.

One of the Hertfordshire schemes is a by-pass at Wigan. The other is a bridge works improvement on the A51 near Hitchin railway station, to be undertaken in connection with British Rail programme of rationalisation for the East Coast main line. Both schemes have been submitted by Hertfordshire County Council.

The Surrey scheme is at Frimley by-pass, proposed by Frimley and Camberley Urban District Council. This would relieve the town of the extra burden of traffic that completion of the M3 would otherwise impose.

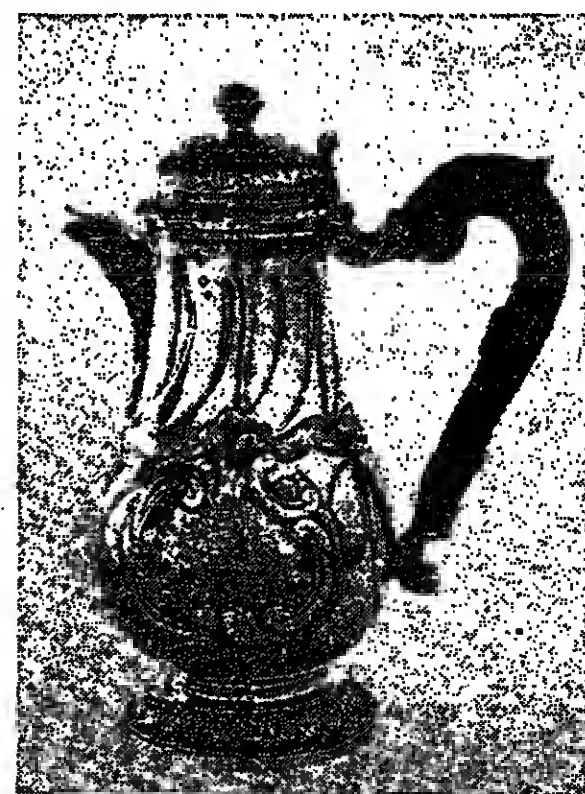
Wigan's scheme forms part of the county borough's proposed plan for an inner ring road from Wollgate to King Street, Queen Street and Chapel Lane, and would include the widening of the railway bridge over Chapel Lane.

APOLLO

Edited by GENYS SUTTON

the international magazine of the fine arts

EIGHTEENTH-CENTURY STRASBOURG



Coffee-pot by Jean-Jacques Ehrlen, c. 1748-51. Silver-gilt, height 21cm. The Louvre, Paris. Illustrated August Apollo.

The AUGUST issue of APOLLO gives a varied account of eighteenth century Strasbourg, its architecture and its art. It contains articles on the Palace of the Rohans, who were Bishops of Strasbourg; Ceramics; Painting & Sculpture in Alsace and Gold & Silverware. In addition there are the usual APOLLO features of Art across the U.S.A., London Galleries, Book Reviews and the Sale-room.

APOLLO is available from all leading newsagents or direct from the publishers, price £1.00. Annual subscription £12.00, including postage and packing to anywhere in the world, except U.S.A., where all copies are sent by air-speeded delivery for \$22.00.

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

RESEARCH

Magnified a million times

THE achievement of a magnification of one million times using an electron microscope—likened to some quarters to the technical equivalent of running the four-mile mile—has been announced by the General Electric Company (U.S.).

Working with a specially modified Philips EM 300 machine, GE research workers say they have observed details as small as eight thousand millionths of an inch across on the viewing screen of the instrument itself, magnifications of conventional microscopes range between 10,000 and 600,000 times.

At one million times, the GE scientists say, they can locate atoms in a metal sample and observe any imperfections in the spacings between the rows. The ability to observe the atomic structure of a metal or alloy is of some importance in materials research. Structural imperfections on the atomic level play a major role in determining strength and hardness, and they are also crucial to the operation of semiconductors. The American team made three modifications to their instrument

INSTRUMENTS

Precision in small doses

MOVEMENTS as small as 70 Angstrom units is now available in a precision linear translation stage. It is intended for moving microscope sections, placing components for laser scribing or positioning microcircuits.

An added advantage, says Coherent Optics, of 330, N. Washington Street, Rochester, N.Y., U.S., is that the stage is remotely controlled so that it can be used in hazardous environments.

Coarse stage travel is 1 mm and fine electronic adjustment and resolution is 70 Angstrom units. The steel slides are nickel plated and there is no wobble or backlash, the company claims.

PRODUCTS

Makes sure envelopes are empty

THE possibility of overlooking cheques or other valuable enclosures in envelopes can be minimised with a document detector now available.

Working on the principle of multiple reflections, the device will note enclosures left in discarded envelopes regardless of the thickness of the paper. It senses the number of interfaces: an overlooked cheque means there are more interfaces than in an empty envelope, says the U.S. Envelope Company, of 2001, Industry Avenue, Springfield, Massachusetts.

The detector will handle up to 500 envelopes per minute. It is intended to be used with a high-speed letter opener.

Air bags speed crash rescue

INFLATABLE BAGS that can be used to raise crashed vehicles sufficiently for trapped victims to be released were demonstrated to fire service officers by the Bedfordshire Fire Service recently.

These bags are particularly suitable when victims are pinned down on soft or icy ground where conventional mechanical jacks cannot be used to lift the

wreckage in order to free them. Another situation where they come into their own is where "soft" bodywork that would be pierced by a metal jack has to be lifted.

The air bag has been developed and produced commercially by MFC Survival, of Tonypandy, South Wales, specialising in rescue equipment, with N.V. Pressure Controllers, part of Metropole Industries Group, of Feitham, Middlesex, producing the valves for controlling the air flow.

These valves are used to reduce the pressures of up to 3,000 p.s.i. in compressed air cylinders down to 6 p.s.i. in the air bag; without them the bags would burst. In the first place, the air pressure is brought down to 30 p.s.i. by a reducing valve.

A relief valve at the neck of the bag then prevents pressure exceeding six p.s.i. The rescue device is normally a twin bag weighing around 60 lbs which packs down to a thickness of just five inches.

The original idea of the air bag rescue kit was conceived by the Ministry of Defence R101 shipyard at Cardington, where they were being used for lifting military vehicles.

Home Office approval for the bags is said to be pending. The cost of a twin-bag unit is just over £100.

FARMING

Cheap grain storage with wood

HARDWOOD birch veneers in Finnish plywood provide a structural material of great flexibility and high impact and abrasion resistance, which together with its lightness, make it suitable for many farm requirements.

Used to six inch sheets of Finnish plywood 5 foot by 10 foot sheets drilled and bolted together make a strong, weather-proof cylinder measuring 10 feet high with a capacity of around 14 tons, costing less than £20.

With a life expectancy of something like 10 years, the storage hopper is reckoned to pay for itself in about 10 weeks as the cost of grain rises.

A design and construction sheet for these circular storage bins has just been produced by the Finnish Plywood Development Association, covering a range of capacities from nine to 85 tons for wheat or barley. The design makes use of standard exterior panels of either four feet by eight feet or five feet by ten feet.

Besides showing how to construct the bins, the sheet gives information on how to make accessories like sliding and manhole doors, outlet chutes and auger tubes. Copies of the sheet can be obtained from FPD, Broadman House, Pantoon Street, London, SW1V 4DR.

ELECTRONICS

U.K. micro-electronics surveyed

SOME broad scale results of a survey commissioned about fifteen months ago by the DTI (then the Ministry of Technology) and the NRDC have now been made available by Mackintosh Consultants Company, which carried it out.

The survey, which is a comprehensive study of the British microelectronics industry over the decade 1970-80, provides market forecasts by microcircuit user industries and by individual circuit families, identifies technological trends, and examines in depth economic factors affecting the viability of the British micro-electronics industry. Mackintosh says that more than 60 companies were visited.

The report has now been submitted to the DTI and NRDC and an abridged version has been made available to the companies that took part in the survey. One of the views it gives is that the combined U.S. and European markets for microcircuits will expand to £1,250m. by 1980, particularly with respect to computers and electronic calculators, telecommunications, data transmission and certain consumer fields (for example watches). Much of this growth will be in terms of MOS technology.

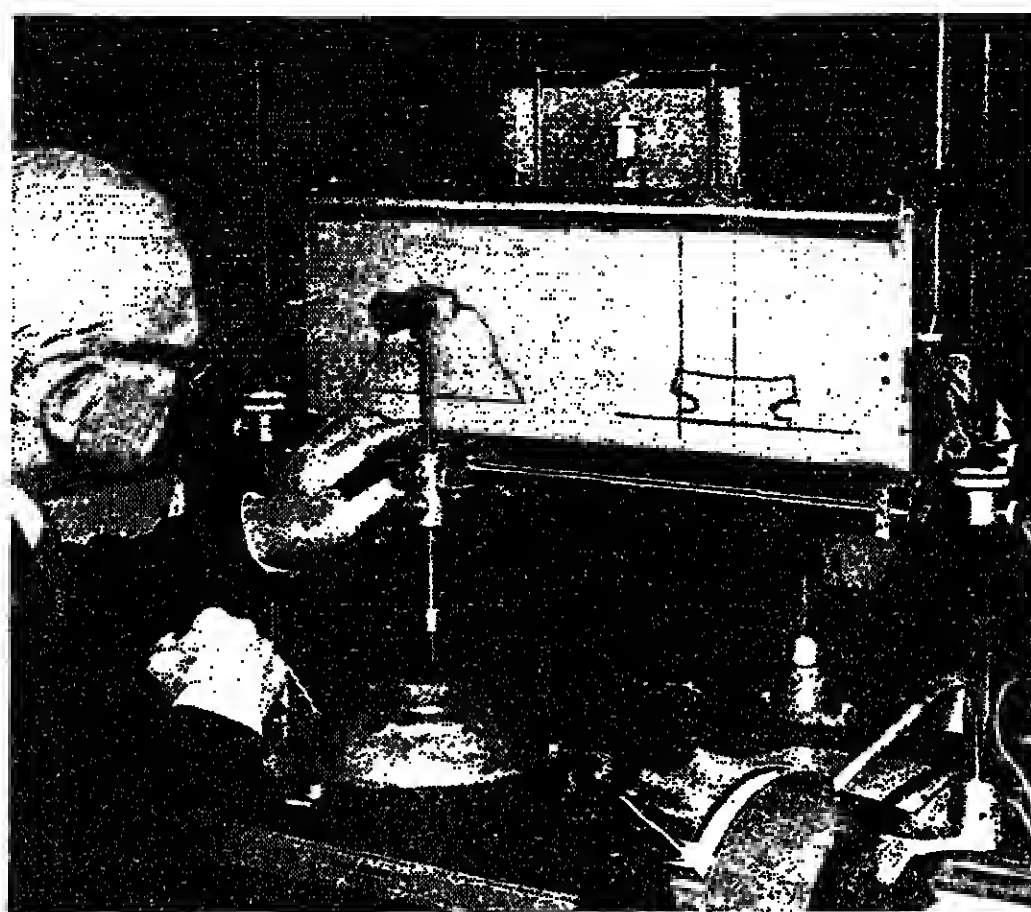
The total U.K. market including hybrids, which was, says the report, £17.3m. in 1970 is expected to reach about £80m. by 1976, and about £100m. by 1980, in 1970 monetary values. The market in MOS semiconductor memories in the U.K. alone will reach about £20m. by 1980.

In terms of technology, the report sees no new material or process developments that will seriously challenge the position of silicon over the next 10 years and believes that extensive developments in MOS technology will be the dominant feature, particularly for memory systems and microprocessor devices. It also sees no major developments in hybrid technology. By 1980, however, much wider applications are foreseen for multi-chip techniques for the incorporation of SIs into large electronic systems.

Perhaps the single most significant belief expressed is that no single national market in Europe, and this applies equally to Britain, is capable of supporting even one major SIC company, and that no company can succeed without a large, innovative market.

GEOFFREY CHARLISH

METALWORKING



This inspection tool designed by Temen Tools of 14, Liverpool Gardens, Worthing, Sussex, and known as a stylus trace comparator, can be used for the inspection components having a tolerance of not less than plus or minus 0.1mm. The stylus head is moved over the internal and external surface of the work piece and the optical viewer on the top of the stylus holder enables the operator to observe the relationship between the surface of the workpiece and a drawing of its outline mounted on an illuminated screen. The thickness of the reference outline should represent the tolerance and if the gratule mounted in the optical viewer does not follow the workpiece outline the component is outside the manufacturing tolerance.

Tube end forming and swaging

TUBE end forming and swaging machinery will be manufactured by a new division established by the Turrington Company, at Coventry. Starting with a limited production of air and hydraulically operated end forming units, the division hopes within two years to be offering a total of nine models of both types to deal with various tube sizes (from 3 mm to 89 mm diameter), as well as a number of rotary, die-closing and stationary spindle swaging machines.

Design of welded products

"Improving Welded Product Design" is the subject of the Welding Institute's Conference at the Bloomsbury Centre Hotel, London, from November 16 to 19.

Six technical sessions will

cover all significant design factors: structural and stress analysis of welded fabrications; determination of strength criteria and design considerations related to welded joint properties; the design, inspection and quality control relationship; design organisation with regard to technical information and standards; education and training trends for the design engineer.

Intending delegates should contact the Registrar, the Welding Institute, Abington Hall, Cambridge, CB1 6AL.

Castings inspection

ESSENTIAL reading for inspectors of steel castings is the 1971 revised edition of "Recommended procedure for the ultrasonic examination of steel castings" just published by the Steel Castings Research and Trade Association, East Bank Road, Sheffield S2 3PT, at £1.50.

Ultrasonic surface contact examination, using longitudinal and transverse waves, of the majority of ferritic castings of carbon and alloy steels, but excluding austenitic alloys, are described. Equipment, couplants,

calibration and reference blocks; surface condition; test procedure and its limitations, and test data end records are discussed and there are five appendices relating to particular aspects of the procedure. The booklet is one of a series on the subject of castings inspection procedures.

High-speed sizing press

SIZING is a method of obtaining close tolerances on sintered components. After passing through the sintering furnace, the component is re-pressed (known as sizing or coining) in dies similar to those used in the original compacting operation.

This is usually a slow operation where asymmetrical components are involved, requiring specially designed feed mechanisms or manual control. Dorst, of Germany, has now made available through its U.K. agent, Sintrex, Priory Road, East Ham, London, a powder metallurgy press stated to be capable of sizing asymmetrical sintered components at speeds up to 50 strokes per minute.

Automatic multi-pass copying

AVOIDING conventional multiple feed trips, an eight-pass auto cycling system for centre lathes is being manufactured by Hepworth Iron Company (Engineering), of Bridge Mills, Holmfirth, Huddersfield, in which all longitudinal dimensions are derived directly from encoiler with the master template.

The system gives recirculating passes, controlled on diameter by an indexing turret and controlled longitudinally by encoiler of stylus with a template, which may include extended shoulders and re-entry forms.

Using multi-pass copying, the function of the semi-skilled operator is confined to loading/unloading the lathe, while changeover from component to component is by interchangeable turrets. The copy unit incorporates an eight-station indexing turret and an adjustable depth finish-cut control. The system can produce components involving external, internal or face copying, and is adaptable to lathe-bed machines. Control can be fully automatic or can be changed to manual.

Hepworth has introduced manual copying equipment which enables a pre-set finishing cut to be taken automatically over the full component form.

A pre-determined cut increment is applied automatically by the indexing turret stop at each station, with one station in each cycle applying the adjustable finishing cut. With this provision, the need for skilled operator adjustment of the tool box between roughing and finishing stages is eliminated.

Fabrication of titanium made easier

TITANIUM is a high-strength refractory metal, but because it reacts violently with the atmosphere when heated it has fabrication disadvantages. It is claimed these may be eliminated by plating the metal with nickel, chromium or other metals to simplify lubrication or welding problems.

Usual coating is nickel, although platinum or ruthenium can be used for special purposes. The manufacturer, Refractory Metals, Electrofinishing Corp., of 127, Oakley Avenue, White Plains, N.Y., U.S., states that nickel plating makes it possible to silver solder components of titanium and protects them from hot salt stress corrosion.

The process can be used to build up worn or eroded machinery. Titanium parts, the company says, plated parts eliminate titanium's tendency to seize or gall when used in a moving assembly.

Powell Duffryn: the year in brief

Points from the statement by Sir Alec Ogilvie, Chairman.

Group trading profit for 1970/71 increased by £142,000 to £4.94 million.

Net profit after tax and minorities up by £184,000; recommended final dividend increased to 10%, making 13% for the year (1969/70: 12%).

Hy-Mac excavator company completely reorganised in year of severe recession in the construction equipment industry generally.

The Group's activities with the exception of Hy-Mac produced profits exceeding the previous year by over £1.25 million—an increase of 25%: with particularly good results from Shipping, Fuel Distribution, Timber and Quarries Divisions.

Acquisition of William Robertson shipping and quarrying companies completed.

New transmissions division of Hamworthy Engineering established at Poole to manufacture axles and gearboxes for mobile earth-moving and other equipment.

P.D. Pollution Control formed combining the 'Beatwaste' industrial waste disposal service and the design and supply of waste treatment and incineration plant: further expansion foreseen in growth market following 'Beatwaste's' nationwide market survey.

Liquidity eased in current year following sale of Group headquarters in City of London for £6.1 million in May 1971.

Common Market: British entry would be of overall advantage to the Group.

The future: in the words of the Chairman, "the mood in Powell Duffryn is one of reasoned optimism".

SALIENT FEATURES FROM THE ACCOUNTS

	1971 £000	1970 £000
Trading profit, investment income and Group share of profits of associated companies	4,942	4,800
Profit before taxation	3,643	3,875
Net earnings of the year attributable to ordinary shareholders	2,077	1,893
—per share in pence	8.2p	7.7p
Ordinary dividends	13%	12%
—per share in pence	6.5p	8.0p
Dividend cover	1.3 times	1.3 times
Net assets employed	40,889	39,557

Powell Duffryn

Powell Duffryn Group Shipping, Wharfage and Transport; Fuel Distribution; Pollution Control; Oil and Chemical Storage; Engineering; Building Services; Contracting; Overseas Trading; Timber and Builders' Merchants; Quarries.

(Copies of the Report and Accounts are available from the Secretary, Powell Duffryn Limited, Powell Duffryn House, 8 Great Tower Street, London EC3R 5AE)

lep LUNT, COMLEY & PITT

PRELIMINARY ANNOUNCEMENT Year Ended 31st March, 1971

Comparative Figures	1969 £000's	1970 £000's	1971 £000's
Group profit before taxation	1,080	1,504	1,672
Group profit available for appropriation	589	909	1,104
Earnings per 25p share	6.0p	5.8p	7.1p
Dividends per 25p share	2.41p	3.28p	3.75p

After taking into account the benefits of capital allowances receivable, principally in respect of the Pensnett Trading Estate, the taxation charge attributable to the profits amounts to 34% instead of the standard 40% now applicable. The result of the increased profit and of this lower tax charge is to make available for appropriation £1,103,998 compared with £908,663 last year.

It is proposed to declare a final dividend of 10% making a total dividend of 15% for the year ended 31st March, 1971, and, allowing for the Scrip Issue of one for three in October 1970, the equivalent total dividend for last year was 13.125%.

The divisional contributions to group profit are as follows—

	1970 £000's	1971 £000's
Construction	212	168
Distribution	506	536
Engineering	276	335
Industrial	271	316
Property	361	429
	1,616	1,784
Less: Interest on Loan Capital	112	112
	1,504	1,672

The Pensnett Trading Estate has continued to expand and during the year to the 31st March, 1971, a further £465,000 has been invested in new buildings. Further buildings are currently under construction against agreed leases and gross rents in the year to 31st March, 1972, will show a further improvement.

In addition to the Pensnett Trading Estate, at the 31st March, 1971, some £980,000 has been expended out of the group's general resources in other industrial and commercial property development projects which are not yet contributing to profits.

In view of the significance of the property division in relation to the group, the Board is currently considering the advantages to be derived from the separate administration of that division. As part of this policy, the Directors also announce that proposals which have been formulated in conjunction with J. Henry Schroder Wagg & Co. Ltd. will shortly be made to the holders of the £1,500,000 7½% Debenture Stock 1960/95 of the company for the cancellation of their holdings in return for the allotment of an equivalent amount of a new 8½% First Mortgage Debenture Stock 1990/95 of Comley & Pitt Ltd., a wholly owned subsidiary of the company, which owns the Pensnett Trading Estate. Application for quotation for and for permission to deal in the new stock will be made to the Council of The Stock Exchange, London. It is intended that the proposals should be considered at a separate meeting of the holders of the existing stock and full details will be posted to them shortly.

The group has made an encouraging start in the current year.

The Report and Accounts will be circulated to shareholders in August and the Annual General Meeting will be held on 16th September.

PENSNETT TRADING ESTATE, BRIERLEY HILL, STAFFORDSHIRE



Mrs. Castle urges Carr to act over union funds pledge

BY PHILIP RAWSTORNE



MRS. CASTLE... your honour is involved.

THE TRADE UNIONS could be "fined" up to £5m. by the withdrawal of tax relief on their provision of funds if they failed to register under the Government's Industrial Relations Bill, Mrs. Barbara Castle told the Commons yesterday.

Speaking before MPs resumed their consideration of Lords amendments to the Bill, Mrs. Castle said that Mr. Robert Carr, Secretary for Employment, had assured the Opposition that the Bill's provisions would not have such an effect but if any amendment were necessary, it would be made.

It had since been made clear in the Lords debates, said the unions had been advised that tax relief would not be available to them if they did not register.

Any doubt

"As your honour is involved and no doubt unwittingly, the Commons has been misled, would you now put this matter right?" Mrs. Castle asked Mr. Carr.

Denying that he had misled MPs, Mr. Carr said he still believed that there was "no insuperable obstacle" to the unions in appearing off their prudent fund activities.

But Mrs. Castle appealed to him to take further advice. "If you have any doubt about the value of your assurances, will you put the matter right?" she asked before the Speaker stopped the discussion.

Mr. Heffer, from the Labour front bench, claimed that under the provisions of the Bill it would be considered an unfair industrial practice to take industrial action in defence of the unfair dismissal of a union shop steward.

During discussions on a series of amendments dealing with unfair dismissals and the time allowed for appeal, Mr. Heffer said: "This means that one of the rights that the workers have enjoyed up to now in defending their fellow shop stewards has, in fact, been taken away from them."

Sir Geoffrey Howe, Solicitor General, asked: "Where, and by what provision under the Bill, is it stated to be an unfair industrial practice to call industrial action over unfair dismissal?"

There is not one provision anywhere in the Bill making it unfair to take industrial action in support of a worker unfairly dismissed.

We have provided remedies in respect of the worker who can go to the tribunal to challenge the injustice or justice of it, but alongside that the right to take industrial action remains. It is quite wrong to suggest that this right has been eroded or diminished in any way.

Mr. Heffer said: "You know that if workers are taking unofficial strike action or action of this kind, and going against an agreed contract, then the workers would be carrying out an unfair industrial practice."

"That means that the basic rights which workers up to now have had to defend their shop stewards from being dismissed, has been removed."

"This Bill is weighed definitely in the interests of the employer against the worker," Sir Geoffrey said. "We are not doing anything in respect

of which we have to defend ourselves. There are here, new rights and new remedies for unfair dismissal."

Sir Geoffrey said some Labour MPs tended to reject the value of any courts to decide industrial disputes, and felt that the only kind of sanction to which the worker should have resort was industrial action.

Mr. Stanley Orme (Lab., Salford W) intervened to comment: "To the main point, the matter can only be resolved by trade union support within the particular factory."

Sir Geoffrey said: "That is an approach rejected by the last Government and the country as a whole."

One despair of reducing the number of strikes, if people reject altogether the idea of setting up alternative machinery without resort to industrial action.

"This Bill does nothing to prevent or restrain industrial action in support of a dismissed worker."

The amendments were agreed formally after a division on one of them in which the voting was 274 to 231 (Government majority 43).

Helicopters for Scottish air-sea rescue

THE DEPARTMENT OF Trade and Industry is to provide long-range helicopters for air-sea rescue of the North-east coast of Scotland, Mr. Anthony Grant, Under-Secretary announced.

Arrangements were being made with BEA Helicopters for the purchase of three Sea King helicopters, which would be available for marine rescue work beyond the operation range of Service search and rescue helicopters.

"It is hoped the service will be available from October," he added.

7% pay rise for armed forces

BY PHILIP RAWSTORNE

AN INTERIM pay increase of 7 per cent. for the armed forces was announced in the Commons yesterday by Lord Balmell, Minister of State for Defence.

The increase, effective from August 1 this year and payable to all ranks up to brigadier or equivalent, will be taken into account by the Armed Forces Pay Review Body in its first report on Services' pay rates expected next April.

The award will raise an ordinary ratings' pay by £1.33 to £20.55 a week, a staff sergeant's by £12.50 to £14.00 a week; a captain's pay by £15.7 a year to £24.02, and a brigadier's by £38.7 to £46.13.

Rates for the most senior officers, introduced in January, are reviewed separately by the Top Salaries Review Body and will not be raised. Nor will the present increase apply to medical and dental officers whose pay is linked to the National Health Service. The last award to the forces was in April last year.

Increased charges

Retired pay and pensions will also be increased by 7 per cent. for officers and other ranks, except for the most senior officers—who retire on or after August 1.

Lord Balmell also announced that with the increases in pay, there would also be increased charges for all ranks. The rents of married quarters will be raised by 7 per cent. up to 20p a week for other ranks' quarters and up to £2.4 a month for officers' quarters. The food charge payable by single men and women will be raised by 3p a day to meet higher costs.

Canada extends facilities for troop training

THE CANADIAN Government had agreed to a 10-year plan for the increased use of Canadian military training facilities by the Royal Navy, Army, and RAF, Lord Balmell, Minister of State for Defence, said.

He told Mr. Philip Goodhart (C. Beckenham) that this agreement confirmed the existing arrangements for the three Services to use the facilities for a considerable extension of training facilities for the Army.

Naval training would be carried out at Gaspetown, New Brunswick, where there were facilities for one Royal Maritime Commando with its attendant helicopter squadron to use the base for up to five weeks every year.

The Army planned to start using the training area at Suffield, Alberta, for Battle Group training in June, 1972. Eventually, up to 10 Battle Groups a year, mostly from BAOR, would use the area for live firing by tanks, artillery and anti-tank weapons.

Apology by Benn

MR. ANTHONY WEDGWOOD BENN, "shadow" Secretary for Trade and Industry, apologised in a statement in the Commons yesterday about a point of order raised at the end of the debate on Upper Clyde Shipbuilders on Monday.

He said he had given notice that he would seek to try to change one word attributed to him in Hansard during the debate on the Consolidated Fund Bill in the House. The word in Hansard was "merit" and Mr. Benn said he believed the word he used was "meaning."

He had sought to correct this elsewhere. But, said Mr. Benn, the shorthand writers note clearly said "merit" and the Speaker (Mr. Selwyn Lloyd) had refused to allow an alteration.

Mr. Benn told the Speaker: "I absolutely accept your decision. Since I may, quite unintentionally, have misled you on the point of order, I should like to apologise unreservedly to you and the House."

SPORT: YACHTING

Britain's Admiral's Cup chances take a knock

BY ALEC BEILBY

BRITAIN'S Admiral's Cup chances took a hard knock at Cowes yesterday when the race committee upheld the protest made by the Australian yacht Koomooloo against the British yacht Cervantes IV, following a claim made by the Australians that Cervantes failed to give way to them when they had right of way at the start of Monday's inshore race, the second of the Admiral's Cup series.

The meeting, called in the early morning was adjourned until the evening so that independent Irish witnesses, who were out sailing in the Britannia Cup race, could be available. The disqualification of Cervantes in Monday's race means that the British team lose the 37 points that Cervantes would have scored and they now hold a mere 10-point lead over the American team, who could score well in the 650-mile Fastnet race which starts from Cowes on Saturday.

Waiting for the outcome of the meeting had made it a long day ashore for the crew of Cervantes, a wait hardly rewarded. Moroglu Cloud was slipped for the start in a Cowes yard in preparation for a Press conference. The Admiral's Cup inshore race, and Arthur Slater's crew in Prospect of Whitby found distraction in sailing, and winning, the Britannia Cup.

Before this year, the cruising yacht race for the Britannia Cup sailed to-day, was one of the two most important events of the Cowes Week. The other, the New York Yacht Club Trophy, is traditionally sailed on Thursday but the tremendous increase in participation and interest in the Admiral's Cup series, of which both the Britannia Cup and the New York Yacht Club Trophy were part, have stolen much of the glory from these events.

In order to ensure that the chances of the Admiral's Cup competitors are not spoiled by other yachts sailing the same courses, they are now given the real prize donna treatment, starting their two ocean races ahead of the common throng and sailing their two inshore races completely independent of the rest of the racing at Cowes.

Lacked lustre

Because of this, to-day's 30-mile race for the Britannia Cup lacked the added lustre that it attracted in the former years when it was part of the Admiral's Cup series. This, in many ways, is a pity.

Even if the champagne sparkle of the event has faded a little due to the absence of many of the Admiral's Cup yachts from the race, the start produced plenty of excitement and tension. The race officers decided upon a long 30-mile course eastwards to the Bembridge Ledge buoy off the east of the Isle of Wight, and intended a difficult, crowded, windward start against a strong tide.

While the British Admiral's Cup team reserve yacht Qua III, owned by Donald Parr, a Ruddle Clarke's Quiver VI, sailed out of Cowes harbour a round the end of the startline to avoid a pre-race battle with the tide, Ted Turner's Aueric Eagle, Sir Max Aitken's Crus and Alan Bond's Western Star, Ian yacht Apollo resumed yesterday's battle offshore, taking the wind and tide while they were strongest.

Once in the east of the Sole American Eagle led Crus with Apollo in close attendance while Yankee Girl and Gitaoua suffering from problems at start, were back among smaller yachts working through them. The wind gradually freshened as the east-going tide set in and the sail back to Cowes which should have been a race became a long beat.

Here, those lower down the fleet suffered as they had to tuck under the 12-mile leeward against a strenuous tide while the leaders had the advantage of slack water before the tide turned and were able to use the tide for the final run to the finish.

The American Eagle led the home, with Crusade and Apollo not far astern, but it was in the fleet that the snail Brit Admiral's Cup yacht racer Arthur Slater's Prospect Whitby, was stealing the prize. In the end, the Dutch yacht Standfast almost identical in size.

There is no doubt of its attraction for the party rank and file and to the extent that this policy objective achieved a prominent place in the foreign affairs discussions it might help to lower the head of steam in the controversies over the Common Market.

It was stressed at Transport House that the statement was the first such call for progress in this particular field to be made by any European political party.

Mr. Healey pointed out that a new situation was emerging between the big power blocs and, not least, between Russia and the West—a situation which gave ground for believing that positive proposals should now be put forward.

The statement indicated the course proposed and urged that the first step should be taken in the next 12 months.

DTI probes "charter flying breach" by officer

BY ARTHUR SANDLES

ALLEGATIONS that an officer of the Department of Trade and Industry had been in some way involved in rule-breaking charter flying are to be investigated by the Department. A senior inspector of the DTI is making the investigation.

News of this came in the Commons yesterday from the Minister for Trade, Mr. Michael Noble. His reply to Mr. Roy Mason, the Opposition civil aviation spokesman, came after Press reports had claimed that the slightest reason to believe there is any truth in it, said Mr. Noble. Mr. Mason asked: "Have you instituted any inquiry at all into alleged charter flight operations and the possible collusion between ticket shops and the operators?"

Mr. Noble: "It is impossible to deal with any allegation that may concern Press or elsewhere immediately, particularly when it is of a very general nature as you now know. If the inquiry produces evidence on which action should be taken, appropriate action would immediately be taken."

If there is no such evidence, then quite clearly no report should be made to this House or elsewhere.

"Our enforcement officers continue to check these charter flights. We have had some success recently in successfully prosecuting and we will continue our checks as long as these undesirable features of charter operations continue."

Mr. Leslie Hunklefield (Lab., Nuneaton) claimed that "chaos and pandemonium which these regulations are causing are reducing our airports in this country to second-hand knacker's yards."

"These sets of rules and regulations cannot possibly be continually enforced. Would you set about negotiating a charter flight bilateral agreement with the United States which will give the ordinary man in the street his chance to fly to far-away places?"

Mr. Noble: "Certainly we will continue to discuss vigorously, as we are at the moment, with other countries, ways of stopping the trouble which is arising."

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Tour operator refunds £2,000

LYONS TOURS has refunded full cost of a 15-day Major holiday to a party of 31 holidaymakers who complained that it was a "nightmare."

Two executives from Lyons Tours, based at Colne, Leicestershire, travelled to Birmingham last week to discuss the £2,000 refund with the holidaymakers who returned—nearly 13 years ago.

The party complained because of over-booking at the hotel in Palma, they had spent five days at a holiday home and this was where facilities were inadequate. In fact, half the party went to the Palma hotel and the other half to another hotel in Arenal.

A Lyons Tours spokesman said the holiday village had a siltier classification than the hotel and this was why money had been refunded.

Scheme to boost palm oil output

PLANS to increase its palm oil output this year by more than 100,000 tons, announced in 1970, were announced in London yesterday by the Guthrie Corporation.

Volume will continue to until by 1975 estimated production will be in the order of 1,000,000 tons processed palm fruit gathered from corporation's own and neighbouring estates.

Guthrie said two palm processing factories are to be produced in Malaysia autumn.

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U.S. rise in spirit of protection, says Heath

MR. HEATH agreed with a Labour MP at Question time that there had been an increase in protectionist sentiment in certain parts of the U.S.

But, he added, this arose, in the first instance, in relation to problems about textiles and shoes and not from trade with the EEC. He fully accepted one must do everything we could to prevent protectionist sentiments. This was something on which the EEC took the view that, after enlargement, there should be discussions. "This is the right way of going about it," he said.

Dr. John Gilbert (Lab. Dudley) had asked the Prime Minister to consider conversations with Britain's major trading partners to see that this "ominous growth" in protectionist sentiment in the U.S. was reversed as soon as possible.

Mr. Wilson said there was a growing feeling in the U.S., expressed by members of the Administration, and most recently in Britain by Senator Humphrey, about American reactions to the degree of protectionism in Europe in agricultural matters.

Mr. Heath said that when Senator Humphrey was Vice President, he and U.S. Administration, supported enlargement of the Community. "He, therefore, has always supported the policy we are trying to carry through just as much as the present Administration."

Mr. Heath said that when it came to the agricultural question, then the United States had had its interests and the way in which it supported them.

Aid for two Scottish new towns

By Philip Rawstone

THE GOVERNMENT yesterday designated Livingston and Glenrothes New Towns in Scotland as Special Development Areas.

Mr. Anthony Grant, Under-Secretary for Trade, told the Commons that SDA benefits would be available immediately in both towns to new undertakings providing employment.

The incentives, in addition to the full range of Development Area benefits, comprised grants of 30 per cent. of eligible wage and salary costs during the first three years of operation, and rent free periods of up to five years in Development Corporation or DTI factories.

Mr. Grant said that SDA status had been given to the towns on condition that they made a substantial contribution towards solving the problems of the West Central Scotland SDA.

The New Town Development Corporations have agreed to take 50 per cent. of their new population intake in the next year from within the development areas, and 80 per cent. in each year afterwards.

Concessions for Agriculture: The free depreciation rules for mobile plant and machinery are to be extended to agriculture within the development areas, Mr. Terence Higgins, Treasury Minister of State, announced.

He said: "The extension of free depreciation which was proposed on July 19 will apply to capital expenditure incurred after that date on new machinery and plant (other than mobile equipment) for use in a Development Area or Northern Ireland for the purpose of any trade including agriculture."

Resign call to Campbell

By Our Lobby Editor

THE RESIGNATION of the Scottish Secretary, Mr. Gordon Campbell, was the subject of a day in a Commons motion signed by Mr. William Hannan (Lab. Maryhill) and 23 other Scottish Labour MPs.

The motion expresses "disgust at the Government's attitude over the UCS crisis and says Mr. Campbell has proved incapable of defending Scotland's interests."

Going down

THE TOTAL decline in purchasing power of an MP's salary between October 1964 and June 1971 was estimated at 29 per cent., giving the Member's salary a purchasing power of £2,308 compared with £3,260 for October 1964, said Mr. Terence Higgins, Minister of State, Treasury.

NHS standard computers

SIR KEITH JOSEPH, Secretary of State for Social Services, has decided that it is needed to standardise National Health Service Regional Hospital Board computer equipment to achieve compatibility of equipment and systems. The benefits which would follow include economy in development and operation of the computer installations and improved facilities for transfer of information required for the

administration of the NHS. Most of the Regional Hospital Boards, and the Department of Health and Social Security, already have computers in the ICL 1900 series. It has been decided, in keeping with Government computer procurement policy generally, that Regional Hospital Boards should in future standardise on ICL 1900 series machines, subject to satisfactory price, performance and delivery.

Mr. Joseph said that the standardisation of computer equipment would ensure that the NHS would be able to transfer information between different computer systems without difficulty.

Government to look again at repatriation clause

BY PHILIP RAWSTONE

THE GOVERNMENT is to look again at a suggestion that the word "voluntary" should be added to the Immigration Bill in the section relating to repatriation.

Lord Aberdeen, Minister of State, Health and Social Security, told the Lords after a debate on the subject during the Bill's committee stage: "I have been impressed by what has been said and I will draw the attention of the Home Secretary to it."

Lady White (Lab.) had claimed that the clause on repatriation would leave the way open to some very restrictive behaviour on the part of some future administration.

The reason for seeking to amend this clause lay in remarks by Mr. Enoch Powell.

"We have to take his remarks seriously because he does represent a certain section of opinion in this country and he has made it very clear in what he said both in committee and on third reading that he does not accept what we entirely believe to be the attitude of the present Government, namely that these provisions should be used only for those who are not going to be there should be no kind of pressure on them."

"It is quite plain that those who hold the views of Mr. Powell wish to make this not just a clause of policy deliberately returned as many as possible of those who have settled in this country from the new Commonwealth, and to return them from whence they came."

"Mr. Powell makes no bones at all that this is his view of what would be desirable. It is for this reason one must look very much more closely at this clause."

The Archbishop of Canterbury (Dr. Ramsey) said the debate had revealed widespread agreement that it was desirable to help people who wanted to go home. It had also revealed a widespread concern that the desire to be voluntary and this should be made abundantly clear to the general public.

It seemed very odd that there was an unwillingness on the part of the Government to write this into the Bill. He believed its reluctance to do so in itself would cause unnecessary misgivings.

No need

Lord Brooke of Cumnor (C.) said he thought Mr. Powell had quite right to draw attention to the future dangers of race troubles if the coloured population in some of our big cities rose as it seemed likely to do to one-third or more of the whole.

"I don't know how one can effectively encourage diversity, but I think it is a much better solution than any form of pressure."

Mr. William Hamilton (Lab. West Fife) called the figures "derisory results." But Sir Keith told him: "I cannot believe increased income from this week to £3,000 families as a result of one phase of advertising before any payment had ever been made is so discouraging."

He estimated that about 8 per cent. of the FIS awards were in the range of £3.60 to £4 a week.

Helicopters for Scottish air-sea rescue

THE DEPARTMENT OF Trade and Industry is to provide long-range helicopters for air-sea rescue of the North-east coast of Scotland, Mr. Anthony Grant, Under-Secretary announced.

Arrangements were being made with BEA Helicopters for the purchase of three Sea King helicopters, which would be available for marine rescue work beyond the operation range of Service search and rescue helicopters.

"It is hoped the service will be available from October," he added.

He told Mr. Philip Goodhart (C. Beckenham) that this agreement confirmed the existing arrangements for the three Services to use the facilities for a considerable extension of training facilities for the Army.

Naval training would be carried out at Gaspetown, New Brunswick, where there were facilities for one Royal Maritime Commando with its attendant helicopter squadron to use the base for up to five weeks every year.

The Army planned to start using the training area at Suffield, Alberta, for Battle Group training in June, 1972. Eventually, up to 10 Battle Groups a year, mostly from BAOR, would use the area for live firing by tanks, artillery and anti-tank weapons.

State help for National Film is "last chance"

BY ARTHUR SANDLES

THE GOVERNMENT'S "helping hand" to the National Film Finance Corporation, as it tries to continue as a private venture, is a last chance as far as State aid in this form to the film industry is concerned. If it fails, then that is the end, said Mr. Nicholas Ridley yesterday.

Mr. Ridley, the Department of Trade and Industry Minister in charge of the film industry, was obviously upset that the recent axing of the NFFC as a State-supported agency had been so severely criticised.

Under recently announced proposals, the NFFC is to be a further firm of Government money, provided it can raise another £3m. from private finance to form a new film fund. The NFFC has worked out a scheme under which investors in the fund would get returns from the first takings at the box office instead of having to wait until expenses have been covered, as is traditional practice.

Mr. Ridley argued that the industry would be healthier under the new scheme. "The ultimate responsibility rests with the producers, who will have to make more of the sort of films the public want to see."

He rejected suggestions that the film industry had been stabbed in the back. Nor did he agree that the policy change might result in a lot of sex in the cinema. As far as I am aware, the Sound of Music and Love Story have been the most successful films for years.

If the new NFFC grouping succeeded in raising the funds required and then made profits he did not exclude further Government support. "The door is not closed. If there were a rights issue I am not saying that we would not take up those rights."

Basically, he felt that the Government should not be in the film business. However, other safety nets would continue via the Eady scheme (a small part of ticket money from all films goes back to makers of successful British pictures) and the quota system. The Common Market had not changed similar systems in Europe, although there were moves for standardisation.

The NFFC's traditional role has been to take up "end money" in films—the last part of the cash requirement needed before a project can be started. Although it has had many successes it had lost around £5m. on a lending of £30m.—but £2m. of this loss went when it bought British Lion with Government encouragement.

"I think 43,000 households from this week will be very glad this scheme has been introduced."

A pilot study of the take-up was being carried out in September.

"If the supplement fails to reach the majority of those who are entitled to it the Government will have to find a better method of helping them. I doubt whether that will mean a change in this scheme. It may mean rearing it."

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Sir Keith not discouraged by 23% take-up of FIS

SO FAR 23 per cent. of the estimated number of people entitled to the Family Income Supplement have been introduced.

A pilot study of the take-up was being carried out in September.

"If the supplement fails to reach the majority of those who are entitled to it the Government will have to find a better method of helping them. I doubt whether that will mean a change in this scheme. It may mean rearing it."

Sir Keith also said that about 44,000 certificates exempting people from prescription charges were issued in the 13 weeks ended June 22 to those who applied on grounds of income. This was more than ten times as many as during the preceding three months.

Approximately 23m. people were covered by the wide automatic exemptions for children under 15; people aged 65 and over; those receiving supplementary benefit; or family income supplement; patients suffering from specified medical conditions; expectant and nursing

The Executive's World

EDITED BY
DAVID PALMER

Your Business Problems

Conglomerate mergers seem to be coming back into vogue in Britain. But in America, the monopolies laws are being used to curb this kind of activity

The great conglomerate bust-up

BY JUREK MARTIN, NEW YORK CORRESPONDENT

ON THE face of it, the settlement announced last week-end between the U.S. Justice Department and International Telephone and Telegraph appears to amount to a 1,000m. dollar draw. Mr. Harold Geneen's ITT, the largest and most successful American conglomerate, will be able to retain control of a 1,000m. dollar a year subsidiary, the Hartford Fire Insurance Company, if it gives up a number of subsidiaries who collectively contribute about a billion dollars a year in sales to the parent company.

Mr. Richard McLaren, head of the Justice Department's anti-trust division, will drop three major anti-trust suits against ITT, all of them dating back to 1969. It amounts to the highest out-of-court settlement in anti-trust history.

But there is more to the settlement than its terms. ITT is America's most successful conglomerate, and one of its largest companies. The conditions it has agreed on are tough. And since they apply to such a cause celebre they may well have the effect of forming ground rules for the conglomerating game, even if they lack the imprimatur of the Supreme Court.

Magazine's tabulations only 19 have assets of under \$100m. An awful lot of companies would, on this score, appear to be safe from conglomerate predators. Similarly, the restrictions on acquisitions in more specialised fields are tough.

In addition, ITT and all its subsidiaries have undertaken not to engage in reciprocity in purchasing policies. Reciprocity is a familiar term in anti-trust case law. The Justice Department, in its case against the Canteen acquisition, defined it as a large company's use of its purchasing power to induce others to buy its own products. In the Canteen suit, for example, it was alleged that suppliers to ITT were more likely to give part of their business to Canteen, even though ITT and Canteen themselves were not engaged in mutual trading.

Although a federal judge had ruled that ITT and Canteen were not guilty of reciprocity, the Justice Department has entered into countless reciprocity consent judgments over the years with companies in different sectors in the economy, most notably and most recently with several steel companies.

The Justice Department settlement with ITT covers three separate acquisitions—Hartford Fire, Canteen Corporation and the water sprinkler division of the Grinnell Corporation. These three cases represented precisely 50 per cent of the Department's efforts to redefine the applicability of the anti-trust laws now on the nation's statutes to mergers involving conglomerate companies. Of the other three cases, one against Ling-Tecum-Vought, has already been settled out of court along lines quite similar to those used with ITT. Another, involving White Motor and White Consolidated, became academic when the proposed merger fell through. The third, concerning B. F. Goodrich and Northwest Industries, is still in the earliest legal stages.

The Justice Department had hoped that at least one of these settlements would go all the way to the Supreme Court in order to give the highest legal body in the land the opportunity to issue what would have been a crucial ruling governing conglomerate mergers. Indeed, Sunday Mr. McLaren ruefully remarked that "while they are advantages to a settlement, I do regret not being able to get a ruling from the Supreme Court." His regret is understandable, for after three years of trying, two of the



Mr. Harold Geneen

Restrictions

The key lies not in the 1,000m. dollar trade-off but in the restrictions that ITT has agreed to abide by in its future merger policies. One of the conditions, that preventing ITT from acquiring a substantial interest in either a domestic water sprinkler company or a domestic insurance company with assets of more than \$100m, appears to be similar to the ITT case. The others, however, are far more wide-reaching. They effectively cut strong restrictions on the size of companies conglomerates can buy into.

ITT has agreed not to buy up any domestic company with assets of more than \$100m; and not to buy any "leading" company in a "concentrated" market. A leading firm is one with sales of over \$25m. a year, or one holding more than 15 per cent of a total industrial market in excess of \$100m. a year. A "concentrated" market is one in which the four leading companies account for more than 50 per cent of the total market. The \$100m. asset limit is not enormous; of the top 500 industrial companies on Fortune

ITT cases, those concerning Canteen and Grinnell, were closest to the final arbiter. The absence of a Supreme Court ruling means that the laws of the United States are now nearer to defining the ground rules for conglomerate mergers than they were when Mr. McLaren began his campaign as soon as President Nixon took office in 1969. This does not mean that there are no laws: both the Clayton and Sherman anti-trust acts contain a wealth of material concerned with the preservation of competition in American business. But pure conglomerate mergers appear to be outside the existing anti-trust net.

ings on conglomerates and has actually passed legislation that somewhat indirectly covers conglomerate practices (such as the one bank holding company amendments). But it has not addressed itself directly to the regulation of conglomerates. At the moment Congress has rather lost its interest in conglomerates since they no longer dominate the business news of the nation in the way they did three years ago.

The Administration's initiative on conglomerates has therefore been confined to Mr. McLaren's department and is unlikely at the present stage to go further. Where, then, does this leave ITT? There is reason to believe it will not be as circumscribed by these conditions as might at first sight be supposed. They apply only to domestic acquisitions. Although ten years ago, before Mr. Geneen got rolling, ITT's income was derived 80 per cent from overseas and only 20 per cent from the United States, the mix has changed radically to the stage when it is now more like 60-40 in favour of domestic operations. If ITT wants to go hunting in foreign markets again (as it may well do), it is free to indulge in this sort of expansion.

Nevertheless, at least the ITT settlement is a price. It is likely that the guidelines that it embraces for ITT will be challenged if applied to other companies: the Supreme Court problem cannot be kept out of the picture for ever. But until it does rule, the open season for conglomerate mergers is not over. But these days there are precious few conglomerates around with the sort of money to invest that might give the Justice Department fits. Conglomerates generally are unexciting companies fast enough without any prying from the Justice Department—almost as fast as they once bought them. The testing time for the anti-trust laws has yet to come.

Legislation

Mr. McLaren and the Justice Department have been trying to establish that the anti-trust laws are indeed applicable to conglomerate takeovers, since the very nature of the conglomerate beast is to seek to draw in under one ever-expanding umbrella a whole horde of diversified and, on the surface, unrelated activities.

Congress, too, has held hear-

But perhaps more important is the fact that, according to no less an authority than Mr. Geneen himself, the great acquisitive days of ITT (and also of most of the other great conglomerates) are over within the United States.

He said as much earlier this year at Congressional hearings in Washington and he repeated this contention over the week-end when he said: "I have stated at our shareholder meetings and on other public occasions that the company's growth should continue with or without future major acquisitions. This settlement, which affects part of our widespread company, does not materially change that statement." The implication is that ITT, once the greediest consumer of corporations, might now satisfy its domestic appetite with a few small takeovers amply designed to round out some of its product line.

Predators

But should ITT change its mind it may find itself beaten with the stick of its own settlement with the Justice Department. So may other conglomerates on the merger trail, though only time will tell if this is true. It is now indisputably the case that American companies, through the ITT settlement, have got a pretty good idea of what the Justice Department feels are excessively large takeovers. They had a rough idea before (Mr. McLaren, it will be remembered, said back in 1969 that his division would almost certainly seek to prevent the merger of any two of the top 200 companies in the country, irrespective of whether they were in related lines of business).

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BY OUR LEGAL STAFF

With reference to your reply headed, **Compulsory purchase** (July 14) in which you said that compensation would not be liable to corporate tax, but to capital gains tax when the company is liquidated, in my experience the Inland Revenue seek to assess the compensation in the year it is received. Is this not the correct procedure?

With regard to compulsory purchase the Inland Revenue do assess compensation received from a compulsory purchase as a disposal for capital gains tax purposes under Section 22 (1) Finance Act 1965 apportioning the amounts received between the property, goodwill and any other item, on the basis of Schedule 19 (11) Finance Act 1969. It is then possible to roll-over the gain as calculated under the provisions of Section 23 Finance Act 1965 against the acquisition of a new asset of the appropriate class.

You should obtain a form of transfer from a law stationer. You then have the transfers stamped. In accordance with their market value. It will be necessary to contact the Adjudication Branch of the Stamp Duty Office. Then the transfers will have to be presented to the company's Registrars through an authorised depositary, usually a bank. The Registrars will then register the transfers and issue new certificates for the shares.

Agricultural rate

I have bought a house with land rated on an agricultural basis and have been told that the property may have to be reassessed if used for private residential purposes only. I intend to rear poultry. If I do this and sell them and their eggs privately, would this suffice to keep the agricultural basis? If I let some of the land to a farmer to put his sheep on, would this qualify?

If the land is genuinely used for poultry farming, the agricultural exemption will continue. It would not be sufficient to let the land to a neighbouring farmer, for in order to qualify for relief the house must be occupied by the person(s) carrying on the farming.

Investing in commodities

With the object of achieving some capital appreciation I am thinking of entering the commodity markets, say platinum, silver or nickel, or perhaps precious stones, with a view to realising gains in 10 to 15 years. I am considering the case of what tax should I have to pay? How do I take an interest in these markets?

It is perfectly possible to take a 10 to 15 year position in any of the metals you mention. The most common seems to be platinum and silver. Precious stones are also a medium for investment.

Profits on these transactions would be subject to capital gains tax. If there were a number of deals there might be a question of taxing the profit as an adventure in the nature of trade. This position was achieved by the Revenue in the Norman Wisdom case where four transactions were involved.

You can get advice in connection with investment in commodities from Commodity Management Services, 2, Angel Court, London, E.C.2.

A transfer of shares

I believe it is possible to transfer shares, without employing a broker. If this is so, could you tell me the procedure?

the firm alleges that they know all about the idea already—that they are working on it something of that nature—but that risk you will have to take.

No planning consent

I have bought a Joiner and joinery business, but to enter the merchandising business, in addition to timber, builder merchants products. Is it my opinion that the proposed changes would constitute a change of use of the business premises from the point of view of the Town and Country Planning Act? No planning consent of any kind has ever been granted in relation to the premises.

No, we do not consider that any planning consent for a change of use will be requested in any event, but we think that the use classes order will take care of the change, if there any, and that no permission accordingly required.

Dissolving a company

What is the simplest means of dissolving a solvent company which has been acquired by a other firm?

There is only one answer to this question and it is up. There is no other procedure available.

No change of user

We are proposing to turn what was formerly a guest house in a house into a restaurant, a room to be equipped with a electric snackmaker. Won't this require any special planning permission?

No, we think that use as a student hostel comes within it since use class as use as a room, so that there would be no change of user involved, even if you do install the snackmaker.

No legal responsibility can be accepted by the Financial Times for the contents given in the columns. All inquiries will be answered by post as soon as possible. No charge is made for this service except in relation to investment matters.

Ice brings warmth to motorists

BY SHEILA BLACK

NORMALLY a hater of market jargon, the term Ice fascinates me so much that I rarely watch on the car radio without commenting, aloud to myself, now for some Ice."

Ice, you see, stands for In-car Entertainment. It could equally well stand for In-entertainment, since it is rapidly becoming definitely "in" to quip the car with some pretty gaily apparatus. For instance, 5 per cent of all new radio sales are for car installations, nearly a third of all cars (that's

over 3m.) already have radios and the market is rising by some 700,000 units, or 8 per cent, a year. In other words, the Ice market expects to settle down at something like £22m. a year.

That's for all Ice, with radios at average prices running between £33 and £38. Time was when motorists thought £50, including installation and fitting, was a high price for car entertainment. Now there are positive signs of people wanting to spend as much as £150, to include tape players, whether cassette or

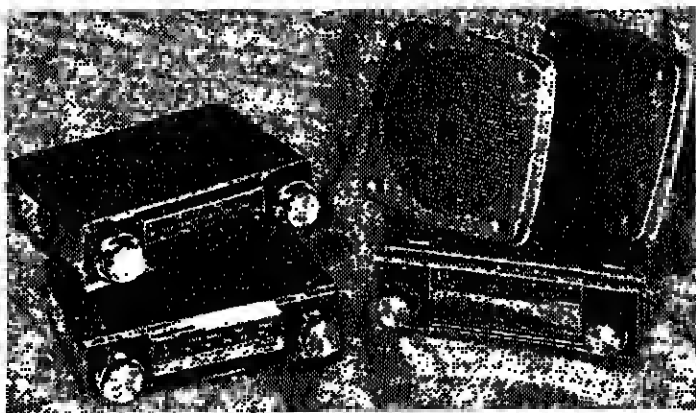
cartridge. Jim Tryon, sales manager of Smith's Motor Accessories Radiomobile division, estimates that at least 70,000 tape players will be sold this year—one for every ten radios, which means a turnover in the sector alone of between £31m. and £3m. Next year, sales could, and should, double if history is a guide. Stereo Ice sells on aural recommendation—and I do mean aural, not oral. Let the Joneses listen to your car stereo, it seems, and they can't wait to be equipped.

The argument as to whether the player should be cassette or cassette is hardly an argument at all. Everybody seems to agree that there is plenty of room for both to develop profitably. Radiomobile like the cartridge—continuous loop combined with

if a dealer sells six cars complete with radios, he has made the same profit as on seven cars. And no debts to worry about, since it all goes on the HP.

No wonder, then, that interest is being aroused. Retailers are aware that lack of retail outlets was a major obstacle to expansion has been holding Motor Trader meetings around the country, getting a big turnout with audiences averaging about 120 dealers per meeting.

The next thing is to get the High Street outlets, the electrical shops, to sell Ice for existing cars—dealers do, after all, cope only with new or second-hand cars and there are plenty of un-iced cars in garages. Retailers are slow to take up car music, and have said rather more of the Do-it-yourself equipment than the



The Radiomobile range of Ice.

slower recording speed than the cassette does make for better sound and the cartridge itself is easier to post into its slot while you are driving. For both, the repertoire is roughly equal and building up fast. About 85 per cent of all new disc releases are also in cassette and cartridge tapes these days, with all the leading brand names in music now strong in the software field. By 1980, it is reckoned, all discs will be on tape, if that is not a contradiction in terms.

Music keeps children quiet. Shuts up the back seat drivers—and soothes the driver. At least that's what the salesmen say. But a major plus is the way Ice impresses friends and neighbours.

The interesting thing about it is that car dealers are beginning to see that they can actually make the same profit out of Ice as out of the cars themselves. They can stock prototype radios and music players in a really small space, giving the pieces an excellent display. They do not have to carry stock (fitting is done by the Ice purveyor).

The dealer merely takes his percentage which works out at the same, in hard cash, as the profit on a small, popular car especially in the heat of competition engendered by Mr. Barber's easy terms budget. So,

"expert installation" type of unit. DIY is not, however, growing as fast as the expert installation. Too few people fancy drilling holes in their precious cars, whether they be Minis or Rolls-Royces. The like to have that sort of thing done away from home and out of sight. In any case, it does take an expert to plaviate interference from the engine.

Radiomobile seems to have the perfect answer for getting retailer co-operation at a time when it is important. Already an established name, with a healthy sale of cartridge players to its credit, and an obvious market growth in that sector, it is now making up cartridge players for the home—to be launched next week.

So far, installations of radio and tape players have tended to be in two separate units at two distinct stages—the radio leads the motorist into buying the player. Now the demand is evident for combined units. Soon petrol stations will be stocking the software—Agi started a library in Italy, for lending and selling, and the thing has gone like a bomb. Some of the tapes give language lessons. Holidaymakers hope to try to pick up French as they cross the border. Chilling thought, using Ice for study.

Business welcomes veterans

BY A U.S. CORRESPONDENT

ALTHOUGH unemployment remains high, officers and other ranks coming out of the U.S. Army are finding a warm welcome in American business.

Officially, about 8 per cent of ex-servicemen are jobless, compared to 5 per cent of the population at large. But many of the 8 per cent are men not actively looking for work, since they have their army gratuities to live on. Also, with the war winding down, men are leaving the service faster than industry can absorb them.

Those who want work generally get it, sometimes having a job even before they are mustered out. A couple of scores of the largest companies take part in the Army's Project Transition, which gives most vocational training in the last six months of their service. Some 125,000 soldiers have received this on-base training.

American Telephone and Telegraph, for instance, has trained 200 men at a single termination camp alone. They come out with a good basic knowledge of telephone installation and line work, both practical and theoretical. The trainees do not have to promise to work for the company after they leave the service and it does not promise to hire them. But most of those trained at Fort Dix have gone to work for the local New Jersey Bell company.

Classrooms

For its training, AT and T converted a barracks area into classrooms. Outside is a forest of 40 telephone poles to give the men practice in climbing with spurs and doing line work. Even without formal training, the ex-soldier is a welcome sight to many a personnel officer. For one thing, he is trained to take orders, and to do what he is told. For another, he is likely to be in good physical condition. His mental condition is also healthy because he is cheerful at being out of the Service. And although this is not widely discussed, he is unlikely to be a strong union man.

Officers are considered particularly desirable for executive training programmes. One personnel recruiter says that two years in Vietnam is far superior to two years in a bank as training to take responsibility and act with initiative.

One point is still not clear. How is business going to compare with the Army in efficiency and the ability to get things done without waiting for a committee to act? And how will a tough infantry captain, accustomed to running his own show, react to being a very junior executive trainee?

MONTEDISON

STATEMENT OF ACCOUNTS 1970

On 30th June 1970 the MONTEDISON shareholders met at the Company's Head Office—Foro Buonaparte 31, Milan—for the approval of the accounts for the financial year 1970, which closed with a gross profit of Lit. 47.3 thousand million assigned to the Depreciation Funds together with Lit. 20.1 thousand million withdrawn from the "Extraordinary Reserves".

The main items of the Balance Sheet are the following:

ASSETS

Industrial Plant amounted to Lit. 1,306 thousand million, with a drop as compared with the previous year of 36.3 thousand million, made up of increases of 157.2 thousand million for the new plant, 165 thousand million for plant originating from the incorporation of Company Akroas S.p.A., 736 million for tax recoveries and decreases of 29 thousand million for plant transferred to SALS S.p.A., 83 million for subsidies and 18.8 thousand million for the elimination of obsolete or inoperative plant and unfruitful research work.

Holdings recorded a decrease of 35.2 thousand million resulting from operations during the year and passed to a total of 348.9 thousand million. The operations during the financial year include: decreases of 13 thousand million for capital management, 20.4 thousand million for devaluation of the capital of certain Companies (including Montepioni & Monteverchio) and for the adjustment of the value of holdings in unquoted Companies to the value of net assets as shown in the balance sheets prior to the end of the MONTEDISON financial year; increases for purchases and capital increases deliberated and approved by Companies in which MONTEDISON has a shareholding. To adjust the purchase price of our holdings, capital reserves have been used for an amount of Lit. 60.8 thousand million.

LIABILITIES

The Extraordinary Reserves dropped by Lit. 127.7 thousand million following the utilisation of 60.8 thousand million for the devaluation of holdings, by 60.5 thousand million for the coverage of losses resulting from the elimination of obsolete or inoperative plant, by 20.4 thousand million for integration of the appropriation for the year of the "Depreciation Funds" to bring it up to the technical-economic level required, as well as the further decreases resulting from the rectification of the ENEL indemnity following the withdrawal of a certain number of ex-SALSI shareholders; against this there were increases given by the profit of the previous year and by the incorporations effected during the year. The Depreciation Funds amount to Lit. 577.5 thousand million, with a drop of 57.8 thousand million as compared with the previous year. The decreases represented by the balance between the sum of 127.2 thousand million for the depreciation relevant to the elimination of obsolete or inoperative plant, for plant transfer to SALS and for tax recoveries and the proposed appropriation of 67.7 thousand million, increased by 1.9 thousand million for funds provided by the Companies incorporated during the year.

Passing on to the PROFIT AND LOSS ACCOUNT, it will be noted that:

Sundry Labour costs and charges reached Lit. 211.9 thousand million with an increase of more than 45.5 thousand million as compared with the previous year, mainly due to increased charges resulting from the application of Improvements—retributive and regulative—applied to the labour contracts renewed at the end of 1968 and during the early months of 1970.

Financial charges amounted to Lit. 14.6 thousand million. The increase over the previous year is 7 thousand million, mainly due to increased debts towards banks and other subsidiaries and to a decrease in the ENEL active interests.

Depreciation of fixed assets amounted to Lit. 67.7 thousand million—corresponding to the technical-economic quota—on the basis of the proposal to assign the entire gross profit for the year of 47.3 thousand million with an integration of 20.4 thousand million to be withdrawn from the "Extraordinary Reserves".

Sales proceeds amounted to Lit. 608.5 thousand million, of which 163.3 for exports, against proceeds for the previous year of 578.8 thousand million, of which 168.8 for exports, with an overall increase, therefore, of 32.7 thousand million, or about 5.7%. Sales in Italy recorded an increase of 8.8%, whereas those abroad dropped by 2.1%. The highest increases were recorded in the sales proceeds from petrochemical derivatives, chemicals for industry and aluminium, whereas there was a decrease of about 6.3 thousand million in the proceeds relevant to the sales of products for agriculture as a result of the difficulties existing on the market for fertilizers, especially as regards exports.

The Chairman's address concerning the report of the statement of accounts for the year was followed by a discussion in which a number of shareholders took part. The Chairman replied to all the queries raised. The Meeting then approved the statement of accounts and expressed favourable opinion for the withdrawal of Lit. 141.7 thousand million from the extraordinary reserves to be used, as indicated above, as follows: 60.8 thousand million for the devaluation of holdings, 60.5 thousand million for the coverage of losses resulting from the elimination of obsolete or inoperative plants and 20.4 thousand million to integrate the appropriation for the year for depreciation funds.

After approving at a special sitting the modification to Art. 13 of the Articles of Association, the Meeting established the number of Directors as 21. Since the entire Board of Directors handed in its resignation, the Meeting proceeded with the appointment of the following Directors: Giovanni Balcells, Giorgio Cappon, Eugenio Cella, Furio Cicogna, Antonino Compostella, Giorgio Corsi, Camillo D'Amelio, Alfredo Diana, Augusto Erba, Silvio Golzio, Alberto Grandi, Luigi Grignani, Luigi Madia, Ernesto Manuelli, Giorgio Mazzanti, Franco Piga, Bruto Randone, Gino Sferza, Tullio Torchiani, Cesare Tumedi, Bruno Vinentini.

The Board of Directors, at a sitting held after the Meeting, proceeded with the following appointments: Eugenio Cella, Chairman; Tullio Torchiani, Vice-Chairman; Giorgio Corsi, Luigi Grignani, Giorgio Mazzanti and Gino Sferza, Managing Directors.

BUTTERFIELD-HARVEY

MERGER YEAR A SUCCESS

Profits exceed forecast:

"A creditable achievement", reports the Chairman, S. A. Roberts, C.B.E.

- * Both companies exceed merger forecasts.
- * Profit before tax £924,000 against forecast of £861,000.
- * Sales of £21.6m up 20% on last year.
- * Proposed final dividend of 4½% makes 7½% for the year.

"We look forward to the future with quiet confidence".

Copies of the Report and accounts are available from The Secretary, Butterfield-Harvey Limited, Shipley, Yorkshire

Lockheed: questions which remain unanswered

From JOHN GRAHAM, U.S. Editor, Washington, August 3

AT THE RISK of being branded an anti-capitalist Jeremiah and a technological revisionist, anyone discussing the aftermath of the Senate vote on Lockheed must begin by pointing out that the debates in the Congress, and all the testimony that accompanied it, did not answer any of the questions that occasioned it.

When the Senators finally voted to be counted, political considerations of the narrow sort won the day (the vote was 49-48). The only pattern that can be detected was that Senators with Lockheed installations or subcontractors' factories in their States voted for the legislation, and those with factories of General Electric or McDonnell Douglas in theirs voted against it. The normal political divisions—Republican against Democrat, North against South, "Liberal" against "Conservative"—went by the board.

This has happened before, of course, but the failure to answer the central questions is particularly important in the present case. The problem can be stated quite simply thus: Lockheed needed the money because it was embarked on a profitable venture; its difficulties were due purely to its cash flow position; and this in turn was aggravated by the drying up of its normal wells of finance. The questions are: how profitable is the venture? What is the cash flow position? And why is there no water in the wells?

Extraordinary though it may seem in such a controversial and precedent-setting case, not one of these three questions was ever satisfactorily answered. Lockheed's cash flow projections remain a secret between the

company and the Government. The profitability of the L-1011 is obscured by the very different projections of the market given by different sources. And the banks, already sunk in Lockheed to the tune of \$400m., never really explained why they would not advance any more money without a Federal guarantee. This was all the more surprising in view of the optimistic market and profit forecasts used by Lockheed and accepted, presumably, by the banks.

Other buyers

These forecasts are open at the very least to reasonable doubt, given the company's forecasting record and its relative inexperience in the commercial market. The official projection is for a market of 775 basic trijet airliners by 1980, of which Lockheed expects to get 409. This figure is made up of 178 already ordered (103 firm and 75 "second buys"), 78 follow-up orders from the present customers, 97 from "high potential airline customers" such as British carriers (presumably including BEA), and 61 from other, lower potential, buyers.

The weak link in this argument is that while Lockheed is confidently saying it will get well over half the total market, its main rival, McDonnell Douglas' DC-10, already has well over half the total ordered so far. There are 223 DC-10's ordered, against 178 L-1011's. Moreover, McDonnell Douglas has a lead of at least nine months in delivery.

Last week it delivered its first two DC-10's to airlines, and

these are expected to go into service this month. Lockheed's first delivery date is April next year, assuming that the company's own financial problems and Rolls-Royce's technical developments on the RB-211 engine do not add to the five months' delay already caused.

Considering that McDonnell Douglas has vastly more experience of the civil aircraft market than Lockheed, that it not only has more aeroplanes ordered but a healthy head start, and that Lockheed has not won an important order for the L-1011 in more than three years, it is entirely legitimate to greet its rosy predictions with a raised eyebrow, however unwelcome this may be in Derby.

Not that the company may not make a profit out of the L-1011 anyhow. The breakeven point is put between 255 and 265 L-1011's, despite a Pentagon analysis last year that said it would need more than 370. Certainly, at 400-plus the company could be making a profit beyond the wildest dreams of all but a few. And even if the eventual share of the market makes for small profit, Rolls-Royce will unquestionably be in a far, far better position as a result of last night's vote.

Loss leader

There are many in the aviation business on this side of the Atlantic who believe that the main point about the RB-211 is not so much how much money it will earn from L-1011 sales, but rather its position as the first of an entire generation of high technology engines. The L-1011 could even be a loss



Jubilant Lockheed employees in Burbank, California, as they listened to a news broadcast on Monday which gave details of the Senate vote approving the \$250m. federal loan guarantee which Lockheed says it needs to avoid bankruptcy.

leader for the RB-211—the engine's basic superiority to anything else around is widely acknowledged.

The Lockheed affair, of course, raises larger questions, both for the future of Lockheed and for the American aerospace industry as a whole. Quite apart from anyone's political or emotional aversion to "socialism for the rich, capitalism for the poor," there are dangers in the guarantee precedent. Mr. David Packard of the Pentagon is particularly alive to them, and has warned against them, as has Dr. Arthur Burns of the Federal Reserve. However,

they do not seem very real, and are certainly not imminent.

Lockheed was a special case, in that it was the biggest defence contractor in the Western world, and its losses on Government contracts left all other contractors standing. Even though the L-1011 has been alive, more or less, for three years, of Lockheed's total sales of \$2,536m. last year, 90 per cent. were to the Government. After writing off \$190m. before taxes, the company had a net loss of \$96m. It last paid a dividend in 1969, and yesterday said that it was passing its dividend yet again.

Its problem, shared by many aerospace companies, is known as conversion. As the Pentagon budget declines and the Vietnam war withers away, all those companies which got fat on the build-up have to find other business, and if President Nixon honours his promise to turn America from a wartime economy to a peacetime economy, this trend will intensify. Anyone who has visited Southern California or Route 12B (the high technology breeding-ground outside Boston) knows what this means.

Converting from Government business to the private marketplace is not proving easy for the industrial giants. When you are dealing with the Government, you can rely to a certain extent on the Government's rescuing you if things go wrong. Lockheed, after all, is far from the only large contractor to experience breathtakingly vast cost overruns. The Government must have its aeroplanes, its rockets, its tanks or whatever, even if it more or less takes over the production run, paying all the bills on a weekly, or even daily, basis. The company may not make a profit, but it stays alive.

I spoke yesterday in a high-level and very experienced industrial consultant, himself a scientist and businessman. His firm acts as a midwife between business and Government, between one company and another, domestically and internationally. For obvious reasons, he wished to be anonymous. His argument was that small and medium-sized companies can often make the conversion, but the big ones can't. You find a great difference, he said, between the top management—the senior ten or 20 men, say—of a company like Lockheed and a predominantly commercial company like Dupont or General Electric.

Risk-taking

Those who have been bargaining with the Government cannot manage the risk-taking, the financing, the distribution needed in the private market.

The technical men can't be trained, the managers can't.

In short, the loan guarantee to Lockheed must be seen as a hidden operation. The financial difficulties—primarily how to finance high technology enterprises without going bankrupt—have not been in vain, as both America and British taxpayers know well.

A success

Clearly the Lockheed affair is a political success for President Nixon, and for Mr. John Nally, who was put in charge of it. It is also a triumph for Mr. Haughton, chairman of Lockheed, who has succeeded in juggling several balls in the air at the same time. The administration is spared effects of increased unemployment, and the Senate vote has come in handy for Heath too.

So Lockheed and Rolls-Royce live to fight another day. The word in the plane business, Mr. Douglas is a tough customer, and the airlines are tough customers, especially when haven't got much money.

Lockheed no longer has to fear imminent bankruptcy that in itself raises the question which has, of course, never been discussed to which we shall have to for an answer. Should it come to the rescue company in such a way prevent bankruptcy, thus drawing the final sanction of the free enterprise system?

Labour News

P.O. Giro strike ends in pay pact

BY MICHAEL HAND, LABOUR CORRESPONDENT

THE PAY STRIKE by Post Office computer staff ended suddenly yesterday with an agreement under which union leaders claimed that Mr. Bill Ryland, the Post Office chairman, had virtually conceded their claim in full.

The strike began on Monday over a dispute involving 700 computer staff at the Giro headquarters in Bootle, Lancashire, and at Post Office computer centres. Because it has ended so quickly its effects have been only marginal and the backlog is expected to be cleared quickly. The computer centre staff concerned supervise computer banding of telephone accounts, Post Office payroll and cash flow.

Talks on Monday between Mr. Ryland and Mr. Alistair Graham, national officer of the Civil and Public Services Association responsible for Post Office members, failed to settle the dispute, but a further meeting was initiated yesterday by the Post Office chairman at which the agreement was reached.

The agreement was reached.

Scale-shortening

The union said afterwards that the Post Office had conceded its claim for a 9 per cent. increase—compared with the original offer of 8½ per cent.—and for a shortening of the senior machine operators' pay scale to ensure no supervisor would get paid less than the grade he supervised. It added that this scale-shortening gave pay increases of

12.7, 16 and 20 per cent. to those operators on the three lowest points of the scale, with the actual amounts they would receive ranging up to £4 a week. The 9 per cent. increase at other points of the scale would give increases of about £2 a week.

The increases would be backdated to January 1, and the pay range of the operators would now be from £1,142 to £1,334 a year. This meets all but one of the points in the claim lodged by the union, which is now calling for normal work as from to-day.

Mr. Graham said last night after his new talks with Mr. Ryland: "It is a pity that a strike had to take place to rectify a silly situation in which members of a basic grade were getting more pay than their supervisors."

RISE FOR 10,000 FABRIC WORKERS

An agreement signed by the National Federation and the General and Municipal Workers' Union will give 10,000 workers in the narrow fabric section of the textile industry a pay rise.

Adults will get an extra 5p an hour from September 6. On the basis of the industry's 40-hour week it will mean an additional £2 a week. Young workers will get proportionate increases.

Scanlon in team for union merger talks

BY OUR LABOUR CORRESPONDENT

ENGINEERING section leaders of the Amalgamated Union of Engineering Workers yesterday appointed a high-powered team to represent the union in its merger talks with the Electrical and Plumbing Trades Union which could lead to the formation of a body replacing the transport workers as the biggest union in the country.

The engineers will be represented by two Left-wingers, Mr. Hugh Scanlon (president) and Mr. Bob Wright, of the national executive, and two Right-wingers, Mr. John Boyd, the senior executive, and Mr. Jim Conway (general secretary). The electrical team on the joint working party will comprise Mr. Frank Chapple, general secretary, and two members of the union's national executive.

Surprise moves

The merger moves, disclosed in the later editions of yesterday's Financial Times, have taken many union leaders by surprise because the engineers are regarded as being on the left and the electricians on the right in trade union politics. But if their negotiations succeed the main impact of amalgamation would be felt in the engineering and electrical supply industries. The present combined membership of the two unions is about 1.6m. compared with the transport workers' present 1.6m., but they too are expanding rapidly through recruitment and mergers.

Now Natsopa rejects NPA pay offer

By Our Labour Correspondent

A SECOND union representing printing workers on national newspapers has rejected the latest pay offer by the Newspaper Publishers Association.

The executive council of the National Society of Operative Printers and Assistants (Natsopa) decided yesterday that the offer was insufficient to cover the rise in the cost of living. It will seek a further £1 a week increase on basic rates in addition to the £1 already on offer. In addition, the NPA has offered to consolidate into basic rates—in two stages—the present £1.10 cost-of-living reported, leaders of the National Graphical Association have already said they cannot recommend members to accept the offer in its present form, and both unions are seeking new talks with the publishers. Other Labour News, Page 12

Airlines in new effort to break N. Atlantic air fares impasse

BY RAY DAFER

TOP EXECUTIVES of all airlines operating on the North Atlantic were meeting in Montreal last night in an attempt to end the impasse at one of the most difficult and protracted air fare negotiations ever held.

An outcome of the meeting could be a directive to their negotiators to come to some compromise agreement over the fares package within the next few days. If agreement cannot be reached on this course of action, however, the airlines will abandon this session of negotiations, which started on June 29.

Such a move would present the airlines with two possible alternatives: meeting again in an attempt to thrash out an agreement, or putting aside any hope of a settlement, leaving each airline to put forward its own fare proposals to the relevant Government bodies.

Cheap fares

If agreement is not reached this week or at some later date, it is expected that the larger operators will attempt to introduce some form of advanced purchase excursion (APEX) fares.

It is also widely felt among airlines that if such a move is successful, the smaller operators will follow suit to remain on a competitive footing.

As reported on Saturday, the airlines have taken up majority positions over various fare proposals presented at the International Air Transport Association conference. As different airlines form a majority on individual proposals it has been difficult to reach a unanimous decision on the entire package. Four airlines in particular—Pan American, Trans World, British Overseas Airways Corporation and Air Canada—have been leading the campaign for fare at APEX level of possibly \$200 (about £83) and they are likely to apply for such fares with or without the agreement of the IATA conference.

While various other cheap fare proposals have been put forward

as a means of attracting more passengers, there seems to be a good deal of agreement among airlines that the normal first and economy class fares will remain about the same as at present.

Other proposals submitted as constituents of the total package include 14- to 25-day excursion fares; 26- to 49-day excursion fares; affinity group fares for groups of 30 to 40 in the summer and smaller numbers in the winter; affinity group fares for large groups; fares for 14- to 21-day group, inclusive tour passengers in the summer and shorter terms in the winter; and youth fares.

In addition, some airlines have proposed "senior citizen" fares as a counter to youth fares, and special low fares for passengers attending conferences and conventions.

It can be seen that if agreement is reached the package will be complicated. Airline negotiators have been faced not only with deciding which of the proposals would be good for business and which they could afford to operate but also with working out details of individual schemes. Those would include conditions of eligibility, the period for advanced bookings and provisions for refunds to passengers who miss their flights.

Although failure to agree on a package could theoretically provoke a price war, it is unlikely that the airlines, in their present economic state, will try to "go it alone" with really large fare reductions.

Other routes

It would, however, put airlines operating other routes in a difficult position when they come to work out fares at their Miami conference in a month's time.

Traditionally, the decisions of the North Atlantic carriers have influenced the negotiations of the other airlines. But because the North Atlantic conference was expected to be difficult this year, it was separated from the remainder of the fares talks. Once again the airlines plan

MANCHESTER JOBLESS

Sir John Eden, Minister for Industry, is to visit Manchester on September 20 to investigate problems created in the area by growing unemployment and particularly the situation caused by the threatened closure of the British Steel Corporation's steel works at Openshaw, where 600 workers are due to lose their jobs next month and another 145 employees face possible dismissal.

Sir John's decision to make an on-the-spot investigation was revealed in a letter to Mr. Morris (Lab. Openshaw).

Barber in Belgian talks

BY OUR FOREIGN STAFF

BARON Jean-Charles Snoy et d'Oppuers, the Belgian Finance Minister, yesterday met Mr. Anthony Barber, the Chancellor of the Exchequer, for talks on the international monetary situation. The Belgian Minister was accompanied by M. R. Vandepitte, Governor of the National Bank of Belgium, and the two men later called on Sir Leslie O'Brien at the Bank of England.

No communiqué was after the one-day visit. But understood that the talks on the continuing tensions international monetary and on the chances of financial solution before the annual meeting of the International Monetary Fund next month particular reference to development of the ECU Community.



The Melcom, low cost, visible record computer has another big advantage

Mitsubishi make it

MITSUBISHI: a company so big it makes the computer giants in the UK look small. And now they've formed a new company: Melcom System (UK) Limited. To give the

highly successful Melcom compact computer the UK backing it deserves. Including an expert and enthusiastic team of programmers, systems analysts and service engineers who are dedicated to giving customers complete satisfaction from their Melcom installation. Melcom is today's outstanding example of advanced computer technology at low cost. Performing the standard office procedures demanded of a compact

computer—and more. It is a vital management tool which can immediately come up with all the answers on a visual display unit when you need them without disrupting any work the computer may be doing. A Melcom can be made to grow as your company grows. Its basic memory of 12,000 digits can be expanded on site to nearly half a million. Right now, Melcom System can offer immediate delivery. So there's no time to lose. Get on to them today and find out what it's like to deal with a company that lives and breathes compact computers.

MELCOM SYSTEMS (UK) LTD Bow Bells House Broad Street, Cheapside, London EC4M 9BQ

Please send me more information on the Melcom VRC ☐

Please contact me to arrange a meeting ☐

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DESIGNATION

COMPANY

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Regional Offices in Birmingham, Manchester and Glasgow

Marshall Morgan placing at 55p

OFFICE 10 WESTERLAA

N ROTTERDAM **TELEX 21435**

United Transport Overseas had "most successful" year. The successor Government in Zambia has repealed the legislation to acquire compulsorily part of the company's transport interests in that country. Protracted negotiations have taken place in Zambia in the matter of compensation for the

Transport pros

M and G announces that the quarterly distribution on the Equities Investment Fund Charities is 2.5p (2.58p) per payable August 31, 1971.

Authority I

The Twelfth Annual General Meeting of the Company Limited was held on the 3rd August 1983 at the Hotel, Chairman Sir John follows:

At Crick, all 96 bedrooms have private bathrooms, television, radio, phone and tea- and coffee-making facilities, and on each floor are ice-making and shoe-cleaning machines. Children are accommodated free in their parents' room with a charge of \$6.50 a night for two adults and two children. Full conference facilities, including all meals, cost \$8 a head.

Chairman's State

New style Eurobond loan floated by ECSC

BY PETER TUMIATI

WAS confirmed here today that four Italian institutional investors—the RAS insurance company through its financial subsidiary Società Finanziaria Assi-ativa, La Centrale, Invest and Alcantara—are the underwriters of the new Eurobond loan. The loan, of 1,000 million lire, is being issued by the ECSC.

The loan is being issued by the ECSC, which is the first time that the Community has issued a loan. The loan is being issued by the ECSC, which is the first time that the Community has issued a loan.

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VW and Daimler-Benz to merge Spanish production

BY CHRISTOPHER LORENZ

ROME, August 3.

VOLKSWAGEN and Daimler-Benz have agreed to merge their separate Spanish operations into a joint subsidiary. This is the first time the two West German automobile companies have pooled their production resources since they already have a joint assembly company in Indonesia.

The plan has not yet been approved by the Spanish Government, but it is expected to be put into effect in the autumn.

The move will have on the two companies' operations outside Spain, but it seems inevitable that it will necessitate close co-operation between VW's Wolfsburg headquarters and Daimler-Benz in Stuttgart.

According to a Volkswagen spokesman, the new company, which has yet to be given an official name, will produce a range of small commercial vehicles. There will be three basic models, with a loading capacity of between 1,000 kg and 2,500 kg. The new venture will also take over the import and marketing of VW and Daimler-Benz vehicles.

The plan involves the merger of two companies, Cispa and Imosa. The Spanish Government, through INI, its industrial holding company, is holding shares in Imosa, while VW and its subsidiary Audi NSU holds the other half. The Spanish stake in Cispa is 49 per cent, with Daimler-Benz holding 51 per cent. The size of the Spanish stake in

the new joint company has not yet been decided. The German companies' move follows a difficult year in the Spanish motor industry. In 1970 Cispa's turnover was DM74.5m, an increase of 8.9 per cent on 1969, while Imosa sold 5,362 vehicles.

Short-time at Krupp

BOCHUM, August 3.

FRIED. Krupp Huettenwerke AG said it will introduce short-time working at its Hoesrop and Bochum works at the end of this month. The move is due to the poor order position in the West German steel industry. It said that about 870 men will be affected by the measure which will reduce their working week to 26½ hours from 40 hours. It gave no indication as to when full time working will resume.

REUTERS

GHANA BAUXITE RIGHTS FOR VALCO

ACCRA, Aug. 3.

THE U.S.-OWNED Volta Aluminium Company (Valco) has been given prospecting rights for the development of bauxite deposits at Kibi, Eastern Ghana. Mr. Theophilus Brodie-Miles, Minister of Lands and Mineral Resources, said today he had sent a letter of intent to Valco to this effect.

The Japanese Light Metal Smelters' Association recently submitted a detailed study for the development of the deposits and, Mr. Brodie-Miles said, a Hungarian group had also expressed interest in the project.

INTRABANK CHANGES NAME

BEIRUT, August 3.

INTRABANK said the name of the bank has been changed to Bank Al-Machrek (The Levant Bank), and the financial investment company's name changed to the Intra Investment Company. The name change is effective immediately and will apply to the bank's branches in London, Paris and Beirut. The capital of the bank will be raised to 15m. Lebanese pounds from 5m which will be generated by the bank's operations. The decision was taken because Intra had been regarded as an inflated name following the bank's difficulties in October 1968 as a result of a run of withdrawals and lack of cash liquidity. The company runs all Intra Bank investments in Lebanon and abroad.

REUTERS

Others

● ASAHI GLASS will pay unchanged dividend of 16 per cent at annual rate for six months ended June 30. After-tax profit rose to Yen 5,450m, from Yen 4,836m, in previous six months, on lower gross sales of Yen 69,170m.

● BRIDGESTONE TIRE CO. in Tokyo said after-tax profit fell to Yen 3,025m, in six months ended June 30 from 4,070m, in preceding half-year on gross sales of Yen 71,539m. (Yen 80,394m). Company declared unchanged dividend of Yen 5 for the period.

● THE SEC suspended OTC trading in common stock of Continental Dynamics Inc., Las Vegas, through August 12. It said the suspension was ordered because of lack of information about the company and its operations.

● CANADIAN INTERNATIONAL Paper is following the \$8 a ton price boost posted for November 1 by most Canadian-owned producers. The company cited unrelieved and continuing cost increases as the main reason.

International Nickel earnings down

BY OUR FOREIGN STAFF

EARNINGS of the International Nickel Company of Canada, Limited for the first six months of 1971 were \$626m, equivalent to 64 cents a share. Common shares, compared with \$102.4m, or \$1.37 a share, for the first half of last year. Mr. Henry Wingate, the chairman, announced yesterday. Second quarter earnings were \$26m, or 28 cents a share, compared with \$57.9m, or 78 cents a share, for the corresponding quarter of 1970. First quarter earnings in 1971 were \$36.6m, or 49 cents a share.

For the first six months of this year, net sales totalled \$444m, compared with \$450.7m for the first half of 1970. Second quarter sales were \$211.4m, in 1971, compared with \$206.6m, for the corresponding quarter of 1970.

The action in reducing the dividend was taken because of the sharply reduced net earnings at a time when the company faces a continuing heavy demand for cash.

and will be situated at Loula in Faro region.

● SIEMENS, of Zurich, and Albiwerke Zurich said they merged two companies into one unit, called Siemens-Albis.

● CIE GENERAL ELECTRICITY first half 1971 consolidated turnover before tax rose to Frs.4,830m, from 4,123m, for same 1970 period after tax turnover showed 9.8 per cent rise.

● CIE FINANCIERE DE PARIS DES PAYS-BAS 1971 first half revenue dropped to Frs.34.6m, from 42.3m, in same 1970 period. Loss of revenue from the company's oil interests in the Sahara have been compensated by increased dividends from other subsidiaries, said Paribas group holding company.

North America

● GOODYEAR TIRE AND RUBBER COMPANY announced regular quarterly dividend of 21¢, payable September 15, on record August 15.

● RAYTHON reported 1971 second quarter and first half earnings modestly improved over like periods a year ago, with new first half highs established in

sales, earnings, and earnings per share. Earnings in quarter ended July 4 were \$9,000m., equal after provision for preferred dividends to \$8.2 a common share. An area of 13,965,583 shares outstanding during period. This compares with restated earnings in second quarter year ago of \$8,528 m. (\$8.00) or restated earnings of \$14,967,284 shares outstanding during that period. Sales in second quarter totalled \$320.6m, compared with restated \$317.2m.

● FAIRCHILD CAMERA AND INSTRUMENT CORP., reduced its second quarter net loss to \$1.2m (loss 28 cents a share) from \$5m (loss \$1.14) while sales dropped to \$50m, from \$57m.

● J. WALTER THOMPSON COMPANY six month earnings reached \$3,456m, increase of 4 per cent over same period in 1970. Worldwide billings rose 7 per cent to \$204m, during second quarter.

● SOUTHERN BELL Telephone Co. reported 1971 first half earnings of \$100m, debentures due 2005 and \$75m, seven year notes due 1978. Underwriters are led by Merrill Lynch, Salomon Brothers and Kidder, Peabody and Co.

The new premises occupy a site of some 13 acres and are within easy reach of the company's manufacturing plant at Hordley Lane, Hindley Green and Trafford Park.

The head office will remain in London, but it is intended that the administrative, accounting and warehousing functions should be housed in the Horwich complex, and relocation plans are already well advanced. Proximity of the manufacturing facilities to Horwich will enable the company to give a faster, more cohesive and more efficient service, it is pointed out.

Foreign and Colonial

Gross revenue of The Foreign and Colonial Investment Trust increased from £1,777,156 to £1,846,982 in the six months to June 30, 1971, including a profit of £272,885 (£257,032). The figures for all of 1970 were £3,403,846 and £1,549,909.

Interest and expenses for the half year ended June 30, 1971, were £305,322 and £1,223,018 for the year. Net profit was £991,033 (£91,033) and £1,827,791 after tax £78,765 (£81,500) and £258,038 (£258,038). Investments at June 30, 1971, were valued at £116,585,557 (£85,699,414) at December 31, 1970, including where applicable the full dollar premium. The continuing dollar premium surrender was £2,200,776 (£1,792,639).

Net current assets were £532,062 (£3,017,089) and net asset value including full dollar premium and treating loan stock as fully converted, per 25p Ordinary was 155p (126p) and per £100 convertible loan stock, £12 (10p).

A maintained interim dividend of 4½ per cent has already been declared—the total last year was 11½ per cent.

JOHN DAILY AND CO. (Importers and exporters)—Dividend 40 per cent, 13½ per cent, for year ended March 31, 1971, reported July 10, 1971. Profit, before tax, £153,265 (£153,265). Net profit, £124,416 (£124,416).

DANKS OF NEWINGTON (engineers, designers and bellfounders)—Results, year ended March 31, 1971, reported July 10, 1971. Profit, before tax, £153,265 (£153,265). Net profit, £124,416 (£124,416).

ELBOURNE BRIDGE COLLAPSE FINDINGS

its Main blame on U.K. designers

MICHAEL SOUTHERN, AUSTRALIA EDITOR

Royal Commission inquiry into the collapse of the West bridge in Melbourne last in which 35 men were today said that much of blame for the disaster lay with Freeman Fox and Partners, U.K. consulting and civil engineers.

Commission's report "We are compelled to say that Freeman Fox and Partners bear a heavy burden of liability for the failure of the bridge. While we have found evidence to make some criticism of all other parties, justice requires us to state that the greater blame must be attributed to Freeman Fox and Partners."

Commission found that the bridge was designed and built to a standard which was not in accordance with the requirements of the Australian standards. The bridge was designed to a standard which was not in accordance with the requirements of the Australian standards.

Commission found that the bridge was designed and built to a standard which was not in accordance with the requirements of the Australian standards. The bridge was designed to a standard which was not in accordance with the requirements of the Australian standards.

Analysis

Elbourne today, Sir Ralph said, who arrived at the end of the report, said he proposed to express any criticism in the form of a letter to the designers. He said he was not in a position to make any further comments on the report. He said he was not in a position to make any further comments on the report.

Vehicle and General Tribunal of Inquiry

TI official defends his judgments

FOR OFFICIAL of the Tribunal of Inquiry yesterday defended his judgments made when he was asked to inquire into the collapse of the Elbourne bridge.

Mr. Elwyn, a principal department, was consulted before the inquiry into the collapse of the Elbourne bridge. He said he was not in a position to make any further comments on the report.

Higher

did his problem was when judgments, as they came in, were higher. On one of the department and to the President of the Board of Mr. Edward Haith. Arnold said it would be a good idea to have a meeting with the department and to the President of the Board of Mr. Edward Haith.

Estimates

Sir Elwyn asked if leaving the department's legal powers, one of the greatest problems in regulating the conduct of business was that many of the motor insurance companies' accounts figures were not in accordance with the requirements of the Australian standards.

together to give a proper and careful regard to the process of structural design.

In consequence, the margins of safety for the bridge were inadequate during erection, they would also have been inadequate in the service conditions had the bridge been completed.

The secondary cause leading to the disaster was the unusual method proposed by World Services and Constructors Company, a subsidiary of the Dutch group Werkspoor Utrecht N.V., for the erection of spans 10-11 and 14-15.

That erection method, if it was to be successful, required more care on the part of the contractors and a consequential responsibility on the consultants to ensure that such care was indeed exercised.

Neither contractor, World Services and Constructors nor later John Holland & Construction, a Melbourne-based company which took over from World Services, appeared to appreciate this need for great care. The consultants failed in their duty to prevent the contractors from using procedures likely to be dangerous.

The Commission said that the designer of the bridge, a Dr. W. C. Brown, of Freeman Fox, appeared to design by intuition rather than on engineering principles. Of Freeman Fox, the Commission said that when all other parties concerned were seriously concerned about the safety and adequacy of West Gate, Freeman Fox gave assurances to the adequacy of designs which were unsupported by any relevant or sufficient calculations.

Having appointed relatively inexperienced engineers to supervise the work on site, Freeman Fox failed to ensure that such care was indeed exercised.

Expertise

On John Holland, the Commission stated that the company lacked the special expertise necessary for the work. As work progressed, the John Holland management became over-confident and ceased to seek or follow advice from world services. The words that "they knew it all" came to sum up the Holland attitude.

Of World Services, the report said the parent concern in the Netherlands did not give the contract the care and attention it deserved. The group's performance fell far short of ordinary competence.

The Commission pointed out at the Lower Yarra Crossing Authority was greatly influenced by the urgency to complete the contract, which was badly behind schedule. At the time the Authority was negotiating with John Holland to take over construction work it was in serious doubt about the safety of the West Gate design.

The report concluded with a statement that there were a number of features of the design which appeared inadequate and required careful checking and re-assessment. The whole design should have been thoroughly examined by an independent consultant as a matter of urgency.

Mr. Elwyn questioned him on his estimate of Mr. Hunt, and referred to earlier evidence by Mr. Hunt that Mr. Hunt was brash, living dangerously, and not aware of cutting corners.

Sir Elwyn: "On the face of it not a man on whose estimates it would be very safe to rely, do you agree? In a field where, as Mr. Hunt said, so much of the person responsible for the estimation was brash and unreliable it should put you on your guard before accepting his estimates."

Mr. Elwyn: "Surely Mr. Hunt was the key man responsible for the underwriting policy?" Mr. Hunt replied that he was certainly responsible for the policy of the company, but he did not think he was responsible for compiling the estimates of outstanding claims at the end of each year.

Mr. Elwyn: "You were relying absolutely on the so-called special features of V & G in understanding the difference between its ratios and those of the run of the business?" Mr. Elwyn: "You were relying absolutely on the so-called special features of V & G in understanding the difference between its ratios and those of the run of the business?"

APPOINTMENTS

Mr. D. C. Mair joins House of Fraser Board

Mr. D. C. Mair, managing director of the provincial stores of Harrods, has been appointed to the Board of HOUSE OF FRASER, the parent concern.

Mr. T. E. Davies has been appointed solicitor to the BRITISH-AMERICAN TOBACCO COMPANY in place of Mr. E. G. Langford who has resigned.

Mr. E. L. Ballieu has been appointed a director of ST. MARTIN'S PROPERTY CORPORATION.

Mr. Philip Weekes, the NATIONAL COAL BOARD'S chief mining engineer since July last year, has been appointed director-general of mining. The Board's production department has been renamed the mining department.

Mr. Gordon Weiner has been appointed managing director of LEVI STRAUSS U.K., a subsidiary of Levi Strauss and Co. of the U.S. Mr. Peter J. Vogel has been made marketing director and Mr. Roy E. Conway merchandise director.

Mr. C. L. Edwards, contracts manager for the company's Gibraltar, Malta and Malaysian projects, has been appointed a director of TAYLOR WOODROW INTERNATIONAL.

Mr. R. Trevor Jones has joined the Board of management of MERCANTILE CREDIT COMPANY. He will be responsible for the company's new business activities in the southern half of the U.K. and will gradually withdraw from his duties as local director, London area.

Mr. Michael R. Oliver has joined BUCK AND HICKMAN as executive director machine tools. He was previously with Sperry Rand Corporation.

Mr. Astley is EVA INDUSTRIES CHAIRMAN. Mr. Roy Astley, the deputy chairman of EVA INDUSTRIES.

Mr. P. J. Clark has been appointed sales director of GKN LAYCOCK ENGINEERING, part of the GKN Transmissions sub group.

Mr. John B. Bennett has been appointed chief executive of the UNBRAKO GROUP, a division of the Sinoart Pressed Steel Company in America. He was previously vice-president and director of European operations with the Bangor Punta Corporation.

Mr. B. E. Dickinson, deputy chief economist of AUSTRALIA AND NEW ZEALAND BANKING GROUP, will shortly arrive from Australia to take up the duties of London economist in place of Mr. A. T. L. Maitland who will leave for Melbourne in October.

Mr. P. H. Katz, hitherto managing director of Mottoy Physcraft, and Mr. A. Naughton, a divisional director, have been appointed to the Board of the METTOY COMPANY.

Mr. Bernard Smith has been appointed group secretary and financial controller of PATENT INDUSTRIAL GROUP. He was formerly with Pent Marwick Mitchell and Co. and replaces Hendries and Co. who have resigned as group secretaries.

Mr. R. R. Barnsley becomes secretary of the operating subsidiaries. Three regional managing directors of GILBERT ASH have been appointed to the Board. They are Mr. Patrick Hall, of Gilbert Ash Southern; Mr. Kurt Fleisner, who is in charge of operations in Ireland, and Mr. Jack Burge, of Gilbert Ash South Eastern. The company is a member of the Bovis group.

Mr. John Ottolai has joined the Board of CALMIL (Wellcome Foundation) with responsibility for the development of the Macdonald group of companies. He has also been appointed managing director of Macdonald and Taylor.

Mr. Robin Herbert has been appointed deputy chairman of the COUNTRYSIDE COMMIS-SION. Mr. Timothy Colman and Mr. Brian Hubbard have been made members of the Commission. The appointments are for three years.

Mr. A. V. Caddick, at present general manager (Europe) of GUARDIAN ROYAL EXCHANGE ASSURANCE, will be appointed general manager (overseas) from January 1 in succession to Mr. H. B. Trinder who is to retire on December 31.

Mr. G. L. Williams will become general manager (home) and Mr. S. M. P. Harris, assistant general manager (home) from the same date.

Mr. S. A. Crichton-Baker, assistant general manager, field operations, will also retire after 37 years' service on December 31 and will be succeeded by Mr. P. A. Wright.

STOCK EXCHANGE PARTNERSHIPS. Mr. M. J. Wilbraham has dissolved his partnership in DAVID Q. HENRIQUES AND CO., Manchester, and has become an associate member with GALL AND EKE, Manchester.

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NEW ISSUE This advertisement appears as a matter of record only. August 4, 1971

PROVINCE OF NEWFOUNDLAND

DM 80,000,000
8% Bearer Bonds of 1971/1986

Offering Price: 98 1/2%

DEUTSCHE GIROZENTRALE - DEUTSCHE KOMMUNALBANK	ORESONER BANK Aktiengesellschaft	A. E. AMES & CO. Limited
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S. G. WARBURG & CO. Limited	WESTDEUTSCHE LANDESBANK GIROZENTRALE	WESTFALENBANK Aktiengesellschaft
WHITE, WELD & CO. Limited	WOOO GUNDY LIMITED	WURTEMBERISCHE LANDESBANKKOMMUNALBANK - GIROZENTRALE

Turnover exceeds £6,000m. for first time

FINANCIAL TIMES REPORTER

BUSINESS SOARED to a record £6,017.5m. on the London Stock Exchange last month, the highest since figures were first published in September, 1964. Turnover in Ordinary shares was at a peak of £1,534.2m. and the number of bargains in all securities rose to 684,794, the best since January, 1968, when they were 701,233.

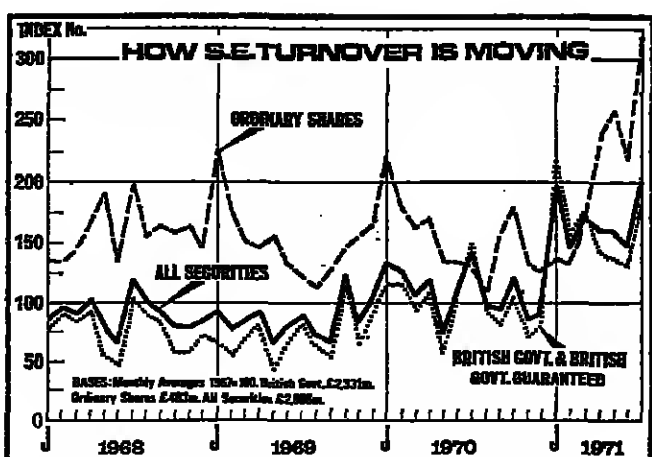
The Chancellor of the Exchequer's July 19 refatory measures were responsible for much of the increase in the value of equity turnover, which showed a jump of 46 per cent. on the previous month and no less than 142 per cent. on February's figure which, at £633.8m., marked the lowest month's turnover this year.

Average value of individual deals in Ordinary shares improved to £2,767, and remained constant at about £1 per cent. of the overall total.

Illustrating the buoyancy of the equity sector, the Financial Times Industrial Ordinary share index started the month at 373.5, touched an 18 month "high" of 413.2 on July 27 and ended at 404.2, for a month's rise of 6 1/2 per cent.

The FT-Actuaries all-share index reached, also on July 27, its highest since compilation of 183.86.

A marked improvement took place in gilt-edged dealings. Owing largely to the exhaustion of both the long and short "tax" stocks which were quickly replaced by two new issues, the value of deals rose to £1,235.1m. Although still some way below the high January figure of £5,073.7m., the July total was 39 per cent. more than in June.



The line traced by the Financial Times Government Securities Index, however, was in direct contrast to the equity indices. An early upward movement gathered impetus following exhaustion of the £600m. 9 per cent. Treasury, 1962-66, long "tax" stock issued in Mid-March and the 6 1/2 per cent. Exchequer 1976 short "tax" stock, which made its debut in late February. Following the "mini-Budget", however, the index pattern was reversed as inflationary fears revived and hopes of a cut in Bank Rate diminished. After recording a 1971 high of 75.74 in the middle of the month, the F.T. Government Securities Index ended the month virtually unchanged at 74.03.

Turnover on the Scottish Stock Exchange rose again in July to top the £50m. mark. The value of business was well ahead of

Category	Value of all purchases and sales £m.	% of total	Number of bargains	% of total	Average value per day £	Average value per bargain £	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:							
Short-dated (having five years or less to run) ...	2,285.1	37.9	13,598	2.0	102.9	168,045	618
Others	1,950.0	32.4	35,339	5.2	88.6	55,180	1,606
U.K. Local Authority	89.1	1.5	7,377	1.0	4.1	12,081	335
Overseas Govt. Provincial and Municipal	17.3	0.3	3,392	0.5	0.8	5,098	154
Fixed Interest Stocks, Pref. and Prefd. Ord. Shares ...	141.9	2.4	70,631	10.3	6.4	2,008	3,211
Ordinary Shares	1,534.2	25.1	554,457	81.0	69.7	2,767	25,303
Total	6,017.5	100	684,794	100	273.5*	8,787*	31,127*

*Average of all securities.

Romanian contracts

A ROMANIAN order for extrusion and mixing machinery valued at £550,000 has been won by Francis Shaw and Co., the Manchester-based engineering group which specialises in equipment for the rubber and plastics industry.

The order is for six continuous vulcanising lines, for installation in Romania's largest cable-making factory at Bucharest. All of the equipment will be manu-

factured in Manchester and deliveries will start next year. It was also announced yesterday that a Stoke-on-Trent company has won a contract worth £50,000 for the supply of special apparatus for an irrigation scheme in Romania. Simon Hartley will supply eight mechanical screens which remove debris from the water before it runs into the irrigation pipelines.

SPICERS' PLAN TO SPEED DISTRIBUTION

A £25,000 scheme to streamline distribution resources has been put into operation by Spicers (Stationery). It has established a containerised transport system believed to be the most advanced of its type to be used in the stationery industry. Major time-saving advantages include provision for a night trucking service, the latest swap-body techniques, and the elimination of intermittent handling of goods in appropriate cases.

S-E power: late payers to get less warning

By David Walker

LATE PAYERS of electricity bills in the South Eastern Electricity Board area are to receive less warning before their power supplies are cut off.

The move, announced yesterday, could well be followed by other area electricity Boards in a bid to cut down the number of customers who persistently defer payment until the last possible moment.

Those, according to South Eastern Electricity, cost the Board hundreds of thousands of pounds a year, forcing up the price of electricity and leading to a subsidy paid by taxpayers who settle their accounts promptly.

Under the changes only one warning letter, instead of two as at present, will follow the final notice delivered if a bill is still outstanding after 28 days. Disconnection of the electricity supply comes 48 hours after the warning letter. Deposits may still be required from persistent defaulters.

In common with several other area Boards, South Eastern Electricity has already issued a warning that it could well make a loss this year, despite tariff changes in February. It is known to have ended the 12 months to March 31 with a deficit.

Programme for Japanese State visit

A STATE BANQUET at Buckingham Palace, a Government luncheon at Hampton Court Palace and a City of London banquet at Guildhall are among the engagements for the State visit of the Emperor and Empress of Japan to London in October.

They will arrive at Gatwick on October 5, and will be met by Princess Margaret and Lord Snowdon before travelling by train to Victoria, where they will be met by the Queen and the Duke of Edinburgh. They will be guests at the Buckingham Palace banquet that night.

The following day after the Government luncheon, the Emperor and Empress will visit Kew Gardens and attend the Guildhall banquet.

On October 7, they will visit London Zoo and give a banquet for the Queen and the Duke of Edinburgh at the Japanese Embassy. They leave by air on October 8.

SE JOURNAL

The September issue of the S.E. Journal will include a new "Medley" feature to which readers are invited to contribute. A fee of £5 will be paid for each contribution used which may take any form but should be limited to 250 words. Preference will be given to items with a City flavour. Items should be sent to The Editor, The Stock Exchange Journal, c/o Public Relations Dept., The Stock Exchange, London, EC2N 1HP.

INDUSTRIAL TRAINING

The right personality for the right job

BY ELSBETH GANGUIN

CAMBRIDGE Recruitment Consultants claims to have perfected a "screening" procedure which can help companies to pick the right recruits, and to promote the right candidates. With this method it is possible to divide the sheep from the goats—or, as the consultants put it, "differentiate the good from the very good, and pick out the brilliant."

Employers would obviously benefit from such knowledge, it is argued, but the people who were screened would themselves "understand more clearly the direction in which they should be going in order to make use of their best attributes."

Test procedure

The procedure consists of a battery of psychometric tests. It includes a personality inventory measuring 16 factors, such as shyness, aggression, detachment. From this the consultants determine a whole series of complex characteristics, like the tested person's creative disposition, his intellectual drive, his overall conscientiousness, his tendency to neurosis ... and so on.

Certain jobs to be effectively performed should really be carried out by people who operate in a certain matching style, says Cambridge Recruitment. But company job descriptions rarely give essential information like, for instance, whether it takes an extrovert, or a person with a high degree of imagination, to fill the vacancy. To make sure that it gets as close to the "truth" as possible, Cambridge Recruitment therefore sends its own forms to employers, "asking curious questions about the jobs."

Having any job to offer, I could not examine that part of the consultants' claims. But I did send them a young woman on whom to try out their psychometric tests. Let's call her Mary, aged 27. She is the product of a teachers' training college. She taught for a while, but then became an employment officer and is now doing statistical work. She is as dissatisfied with her working life as ever. Cambridge Recruitment put her through the process, but only as our guinea-pig—the firm really wants to work for employers and not as vocational guidance counsellors for unhappy individuals.

This was the report: Mary scored 85 on the "critical thinking appraisal." This is equivalent to the 91st percentile score for a population of middle and senior executives. In other words, Mary's intellect and reasoning ability fall within the top 9-10 per cent.

The five components of the critical thinking appraisal are "inference and subtle aspects of reasoning; recognition of assumptions; deductive reasoning; interpretation of arguments; and the evaluation of emotionally loaded and controversial arguments." Mary's scores were 86; 100; 76; 100; and 45. The suggestion is that "while she is well above average for executives in intellectual reasoning, she is somewhat inclined to lose her reasoning powers on emotionally charged issues—a trait not uncommon in women."

When it came to "ideas," Mary scored above average for fluency, and slightly above average for originality. "It is especially noteworthy that none of her ideas are repeated and all are highly pertinent."

The tests further implied that Mary possesses a good deal of flexibility and a quickness in perception. Her personality profile is akin to that which characterises those who do well in journalism and similar occupations, which allow for imaginative qualities and somewhat informal working environments.

Then there was a management style self-rating form, which indicated that Mary herself saw her strongest attributes as "being well regarded by colleagues." The consultants added that "among her other attributes it is a little surprising that she rates her own capacity for conscientious attention to detail above her ability to create original ideas. She gives only a moderate ranking to her capacity for intellectual judgment."

It may be that she is too readily persuaded that she is right for the traditional roles in the occupational world prescribed for women. With some what more resolution she may be able to develop the broader potential which is clearly indicated in the character and ability profile.

If Mary had been tested for a vacancy, or as a guide to her promotability, her employers would certainly seem to have learnt a lot. And, always providing that the job she was to

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The value of the psychometric tests to individuals is that they help them to disentangle themselves from their previous work experience, say the consultants. "But then they have to tie all the dots together again themselves ... all we can do is point them in certain directions, but they then have to develop their own strategies."

I suppose this is really the reason why Cambridge Recruitment prefers to work for companies rather than analysing people who do not really know what they can do next. Mary might take a course, or try working for a journal. But considering what her profile has unearthed, she should surely do rather better than that. Alas, Mary's boyfriend, incidentally, thinks they have entered "quite wrong," at least in some respects.

Having announced the introduction in London of "one of the largest computerised job banks in the world, holding 30,000 vacant jobs at any one time," as well as an employment information centre to supplement the bank, and the fact that the 65 London employment exchanges will stay open until 7 p.m. on Tuesdays, Mr. Robert Carr, Secretary for Employment, said the other day: "I believe these improvements in my Department's services will help to give the industrial and business community in Greater London a highly efficient means of bringing together the employer requiring labour and the job seeker."

The Department itself added: "All the DE's offices have at their disposal a nationwide network of occupational guidance units: the professional and executive register, which has a central clearing house for professional, executive, scientific and technical jobs in the City of London; and a hotel and catering service which is also centred in London."

Among the successful cases of the London occupational guidance units are a 25-year-old ballet dancer who, on being forced to abandon her career,

all had been equally thoroughly scrutinised and assessed, the match could have turned out to be a happy one. As it is, what can she do now? "She should think of jobs for which she could be eligible in the light of the profile ... develop her attributes," suggests the consultants. This is probably easier said than done.

The value of the psychometric tests to individuals is that they help them to disentangle themselves from their previous work experience, say the consultants. "But then they have to tie all the dots together again themselves ... all we can do is point them in certain directions, but they then have to develop their own strategies."

I suppose this is really the reason why Cambridge Recruitment prefers to work for companies rather than analysing people who do not really know what they can do next. Mary might take a course, or try working for a journal. But considering what her profile has unearthed, she should surely do rather better than that. Alas, Mary's boyfriend, incidentally, thinks they have entered "quite wrong," at least in some respects.

Having announced the introduction in London of "one of the largest computerised job banks in the world, holding 30,000 vacant jobs at any one time," as well as an employment information centre to supplement the bank, and the fact that the 65 London employment exchanges will stay open until 7 p.m. on Tuesdays, Mr. Robert Carr, Secretary for Employment, said the other day: "I believe these improvements in my Department's services will help to give the industrial and business community in Greater London a highly efficient means of bringing together the employer requiring labour and the job seeker."

The Department itself added: "All the DE's offices have at their disposal a nationwide network of occupational guidance units: the professional and executive register, which has a central clearing house for professional, executive, scientific and technical jobs in the City of London; and a hotel and catering service which is also centred in London."

Among the successful cases of the London occupational guidance units are a 25-year-old ballet dancer who, on being forced to abandon her career,

was helped to find a satisfactory career in psychiatric nursing. A 19-year-old invoice clerk who, frustrated by paperwork, found a much more enjoyable job in the same firm where employer accepted the fact that she should be a people and retrained her process chaser, and a 24-year-old BSc degree microbiology who has a down as one of Her Majesty's Inspectors after a year in microbiology and a year in her firm.

To help companies in their human resources they got them. Pro Ashridge Management Co. in its 1972 prospectus, a course on this subject is in grammatic. All told, the Ashridge courses now run 20, grouped into six categories: (1) Management development; (2) Finance management; (3) Marketing Behavioural science / persons; (4) Management science; (5) Business policy.

The business policy group covers a range of five advanced management courses designed for senior managers in international companies, three-week courses, restricted to 18 participants, has as its theme the study of the international business environment, the complex economic, social, political factors likely to affect the strategies of national organisations in 1970s.

In the management development group, Ashridge has developed a range of five management courses: (1) from junior manager through director. It is not necessary to attend all courses; there are separate courses through the with each selection, adding a comprehensive training general management subject.

Finally, Allied Breweries just opened its third residential college for licensees spent some £50,000 on converting Tom O'Bedlam's Chadwick End in Birmingham. There are lecture rooms, a kitchen, and room for licensees (tenants, managers, other Allied Breweries staff) to live in.

Allied Breweries' other "colleges" are at Broomfield, Herts, and at Otford, Essex. Last year some licensees were put through training and cell management "bootcamp" courses, as well as longer advanced ones. And were introductory spell-namers. The cost, including salaries, of running the centre is about £50,000 a year.

DEFAMATION LAW INQUIRY

A committee has been set up under Mr. Justice Fausds to consider the need for changes in law, practice and procedure relating to defamation. The committee will welcome evidence on the subject from Lord Chancellor's Office yesterday.

Heavy tax proposed on river effluent

A HEAVY TAX for discharging effluent into rivers which could otherwise provide pure water, and a national water grid to distribute supplies from desalination plants, were proposed yesterday.

A Ramblers' Association working party has reviewed the alternatives to traditional reservoirs in its report. Must it be reservoirs? By the year 2000, water is mostly reservoirs—capable of yielding the equivalent of all the water extracted in the past 100 years will be necessary.

Water produced by desalination could cost as little as 15p per 1,000 gallons, or less than for some conventional supply schemes. It adds, Desalination, in conjunction with reservoirs, could increase their yield; capital costs would be less than on a conventional reservoir; and it provided a constant and predictable supply independent of the vagaries of rainfall.

Direct abstraction from rivers was already an accepted practice, but a 1958 survey showed that 5,422 miles or 27 per cent. of rivers in England and Wales were polluted. The report said that it could be used for domestic purposes, and of this total, 1,278 miles were grossly polluted.

The report calls for a central water Board to provide and distribute water in bulk, for the reception and treatment of sewage and its discharge into the rivers, and for controlling and standardising water charges.

The Board should prepare a national water resources survey indicating the best means for distribution, and in conjunction with the balance of advantages in the nation's interest of individual projects might be judged.

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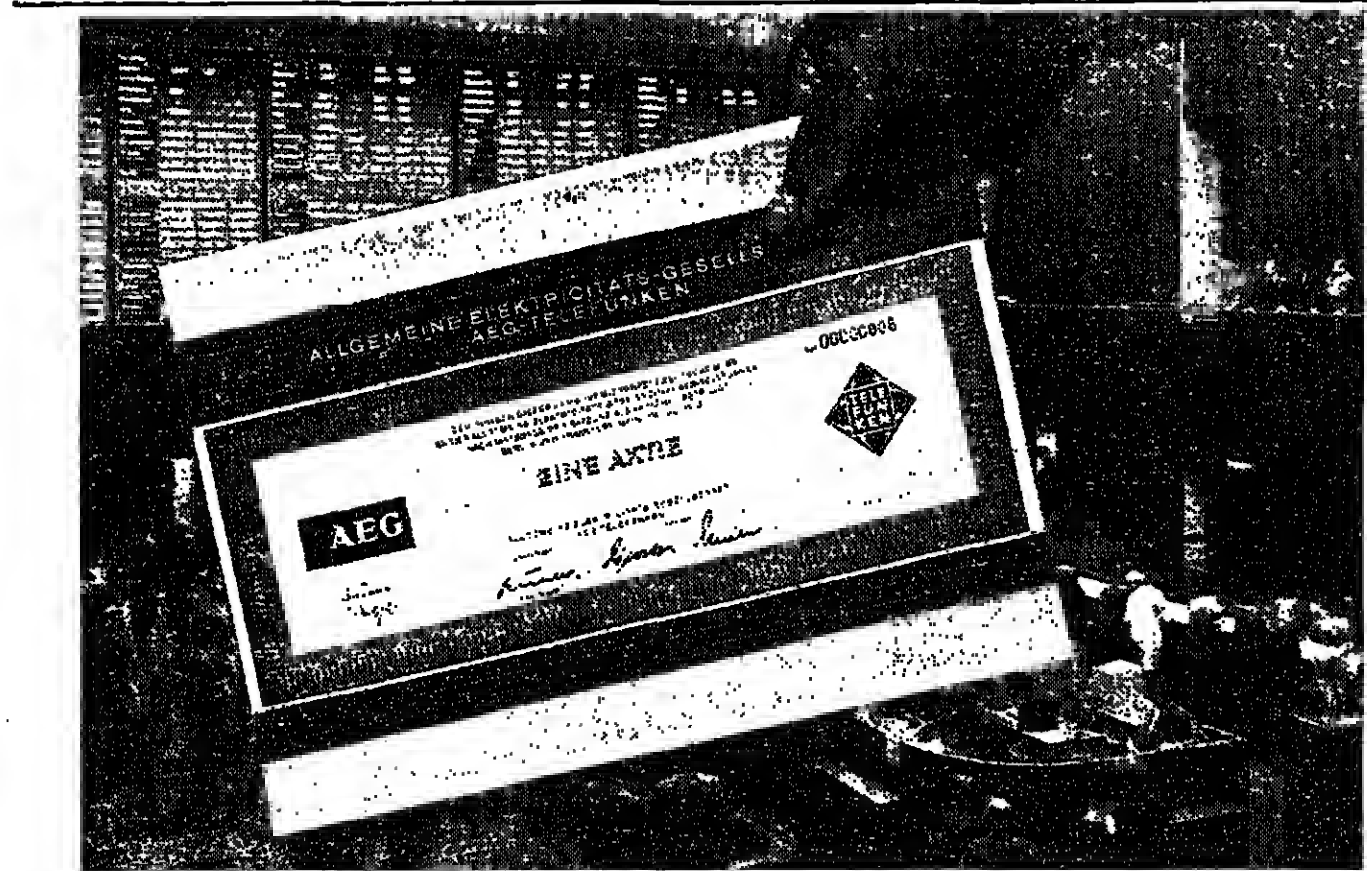
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Widely spread property held by 155,000 shareholders — that is AEG-TELEFUNKEN

Summarized consolidated balance sheet closed on 31st Dec. 1970

Assets	1970 Millions of DM	1969 Millions of DM	Liabilities	1970 Millions of DM	1969 Millions of DM
Fixed assets	1,195	994	Issued share capital	610	539
Financial assets	530	478	Reserves	831	661
Fixed and financial assets	1,725	1,472	Minority interests	35	26
Differences arising on consolidation	194	118	Shareholders' equity	1,476	1,246
Inventories and work in progress	1,442	941	Liabilities		
Receivables	2,285	1,644	long-term	1,701	1,078
Liquid assets	337	288	medium and short-term	2,713	2,053
Current assets	4,064	2,873	Total liabilities	4,414	3,131
Balance	5,983	4,463	Distributable net profit (proposed dividend)	93	88
			Balance	5,983	4,463

The annual meeting held on 16th June 1971 has decided to pay for the business year 1970 a dividend of DM 8.— for each 60.— DM share on the capital stock fully entitled to a dividend and of DM 4.— on the capital stock entitled to a dividend from July 1st, 1970.

Berlin and Frankfurt (Main), in July 1971
ALLGEMEINE ELEKTRICITÄTS-GESELLSCHAFT
AEG-TELEFUNKEN



Financial Times Survey

Home Heating

Achieving happiness for the greatest number

SHEILA BLACK

A mild outbreak of incompatibility is threatening my office, with daily houses four normally-tolerant females. The cause of the trouble is expensive and highly-efficient air conditioning, recently installed throughout the office and switched on just before the heatwave began to be tolerable as a working atmosphere.

It is wonderful, this coolness and it's silent, too. I revel in it. But—one of the girls says it and the other two are rays cold. Draped in cardigans or coats, they sit in misery, huddled for me to go out so they can switch it off. Then, some back support the unadorned air as long as I can and in longing for them to go home so that I can settle down work in what I consider to be a pleasant temperature.

Well, one assumes, sort of out eventually. They will have to wear sweaters, won't they? The story is relevant in an article of this kind, because the Sprat situation is one that is cropping up more and more regarding central heating. At home, there is a good deal of agreement on what the temperature should be. Separate electric fires or other heaters give us some flexibility. Filled Electrolux radiators used for gentle background warmth and the thermostat is present for various rooms, as the times of Switch-on and Switch-off by Smith's Autotest, or us, this happens to be the system—and it is also the expensive one we have used, the way.

Separate controls

It would be expensive impractical for some houses. The central supply of heat, radiated by various means to various outlets, is right answer for the ority, whatever the fuel supplies the heat.

Each year, my outline of the to look for when buying heating system are pretty along the same lines. Now I must say—as a result of my own experiences written to me—that separate perature controls for each a are as important as time s and the other things h have come to be standard pment on all systems. The ral thermostat which runs the whole house is out. It is worth the extra to each person happy.

There are other problems. Ical research has shown that ral heating can make le out of sorts, even had pered. The reason is the og of the air. We must, it s, cool or humidify our med air (cool in the sense of fying it, not reducing it to degrees).

he effect of dry, heated air e same as the effect of e stifling, pre-thunderstorm ds. Why, you may ask, all this just been discovered o heating has been pro d and accepted so enthusi ally for so long? The answer is that people e really only been thinking t it recently—people apart those few who make humi ty and air purifiers and the

at is, however, only part of answer. The other part is heating has now become r. By that I mean that, as e get used to the idea of e all-over home heating, e begin to take it for granted, t they turn up the heat to t that much hotter, and so es on. There is a saturs level, but it is much higher, rule, than people realise at rds of 65 to 70 degrees. At point, background heating mes anything but. It be s obtrusive, aggressive, or than gentle and com g.

we get the different ions of different people. kind of thing is sionously important when come to choose your heat system. I have always main d that too little attention is t to the psychology of the e who have to live with



An optional extra to the Lennox warm air central heating system is this electrostatic dust filter which cuts down on the amount of dusting necessary in the home.

heating. It must not spoil what is now always called the environment. Heating must not be noisy—well, it still is, in spite of modern methods, if you choose the wrong system for your home.

Heating must be flexible. Older systems are hard to convert to complete flexibility even with room and other thermostats and controls. The old-fashioned idea, when controls first began, was that one had firstly-warmed lower, or living room floors, with cooler bedrooms. Rather nonsensical, since one is expected to be rather less dressed in bedrooms than in living rooms most of the time. On this subject of psychology, my personal ideal would be some invisible system. Ducted air, for example, or underfloor heating. Neither foists on one of those bulky radiators or other heat sources which have to be placed, more or less regardless of environment, just where you would rather have the piano, another occasional table or your favourite armchair.

My favourite no-appliance heating is ceiling heating. On the whole, I cannot mention names or this article would be packed with them; but I am unrepentant about mentioning Fixel, which warms the whole ceiling but adds to the visibility in any room only one thin wire up one corner. Reasonable in running costs, warming like a blanket yet gentle and easy to live with, it is exactly what I would choose. In a new house. And there's the crux. The majority of the best systems must be put into new houses—Flexel goes above the ceiling plaster, for instance, and under-floor heating under the flooring. Ducted air, too, is part of the construction. Well, you could take the ceiling down and start again, I suppose.

Whole house

Since most of us have to heat existing houses, that is rather the end of that. And, because that is the case, most people think in terms of radiators or other heat sources rather than warm air and more sophisticated methods.

Then there is the question of whether one heats the whole house or only a part of it—leaving out, say, rarely-used guest rooms, studies and the like. The answer to that is to try to heat the whole house because you never know when you may want to put an unheated room or area into use. Economics obviously are the deciding factor—most partially-heated homes belong to people who originally longed for whole-house heating but found the bank manager or their common sense (allied to their budgets) in disagreement.

The point about whole house heating is that it is normally

more economical to run—the warm rooms have to "feed" the cold walls and rooms in partially heated homes. The other point about heating is, by the way, that running costs tend to be in direct relation to installation costs. Spend a lot on the right system—and some money on getting the best advice as to what is should be—and you will be pleasantly surprised by the bills.

General complaint

Relatively, that is. The cost of all fuels has become like everything else, comparatively astronomical. The general complaint is that heating costs between 30 and 40 per cent more now than it did two or three years ago. I think part of the increase is accounted for by the fact that people do definitely want more heat more often.

Small units for supplying heat are the next best thing to "invisible units." For example, the Abergas mini "boiler" for natural gas is one. Another is the Tronicair unit for electrical warm air systems, which is an advanced electronic development.

The bewildering jumble of names and claims that surround heating systems are hard to rationalise. It is worth going to experts like those at the Heating Centres, or like major stores and installers who have no axe to grind with any one fuel or system. The Heating and Ventilating Engineers Association has published guides to good practice for its members and works with them on a two-year guarantee scheme. A guarantee scheme is absolutely essential when new heating is installed. The cost of correction or repair can set you back nearly as much as the original system if flooding ruins furniture and carpets and you suddenly find the insurance policy doesn't cover this kind of flooding.

It is well worth going to special heating exhibitions, such as those run every September by the Council of Industrial Design, before making a choice. It is certainly well worth shopping around. It is also wise to throw out preconceived ideas about what fuel you like or dislike. Nearly every fuel can feed nearly every variant of every different method.

The golden rules are these. Count your annual budget; decide what you can afford. Then add 50 per cent to it. That is going to be the likely outcome. I am not being cynical, but you will become extravagant when you once get heating.

Then count up what you can afford in installation costs. That must include any loan agreements, of which the instalments need to be taken into mental account with your running costs. Don't be too frightened by the

sum of the initial cost of all those old fires, convector heaters, radiators and the rest that now heat the home rather inefficiently will stagger you if you stop to add it up.

The sum of their combined running costs would stagger you too. Now what you are doing is buying the whole package at once. Don't, as a result, be too critical of what sounds always too expensive.

Do remember the psychology. Avoid noise or anything else, however small, about any system if it is going to irritate you. Remember how each room (or person, if possible) is going to have different requirements.

Think of how your family lives—by day, by night, by odd hours, needing instant high heat or prolonged but gentle background heat. There are different heat requirements for different people.

Think of how long you expect to live in the house and work out how much the new system will add to the resale value. As a rule, it adds little to the actual market value but it does make the house much more readily saleable.

Do not despise "portable" systems—as I said, mine is reasonable to run and eminently satisfactory in every way. Besides, portable appliances attract no rates while fixed systems raise the rateable value. I got a rate reduction when I had the fixed system (which did not suit me) removed in favour of portable places. And you can take them with you.

Do not get the idea that electricity is always expensive. It is often cheaper to install, for one thing, though not always. The white meter tariffs may make it cheaper than the next system you can think of. Get advice from your local Board.

Do remember that you have to pay standing charges for gas and for electricity. So add the standing charge of the gas to your calculations when you start counting up the running costs of a gas system (unless you already have gas and so the standing charge is automatically discounted). You are more or less bound to be paying an electrical standing charge anyway.

No standing charges for oil and solid fuel. But, and do not forget it, add the service cost—whatever your fuel choice or system installation—to your running costs. Most firms will tell you what the annual, contractual service charge is.

In other words, you are not just doing a wise man's exercise, buying your system with your head. You are, to some degree, buying with your heart as well because you have to live with the results. The rewards are, as long as you have the right system, wonderful. A cold house is misery. A warm one is home.

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HOME HEATING II

Increased acceptance of need for better planning

By ANDY McELROY

Innovations in domestic heating in the British Isles are bedevilled by the fact that the Englishman's (in the widest sense) castle is still better at keeping out intruders than the weather.

Ever since central heating ceased to be the sinful luxury that dare not speak its name for a nation brought up on uncontrolled quantities of cold, moist air, designers have been introducing systems aimed at making homes entirely comfortable with as little labour as possible. Most of these have, in the past, fallen on stony ground. From the thermal point of view, 90 per cent of British homes leak like sieves, useful, incidentally, for bringing on the gladioli but expensive and disappointing in their prime function.

Generally speaking, as customers for central heating we British have in the past only been prepared to consider it when there is ice in hell three feet thick. But in the past five or six years, fortunately, there has been an increasing acceptance of the planning and expense needed for a satisfactory system.

Package deals, where the radiators and boiler are supplied at a fixed price in a system suited to the needs of the householder have helped this change in attitude, but such installations are tailored to the number of rooms and nothing more. In this respect they have led to much disappointment among users.

Major change

However, comparatively small improvements to the basic systems have worked a major change. Radiator-mounted thermostats, or individual controls in each room, mean that the comfortable temperature for the type of use can be determined by the owner.

Although the cost of such an improvement is low, it gives, in addition to regulated temperatures, lower running costs and the guarantee that the boiler will not be working flat out to maintain unused bedrooms at 75 degrees Fahrenheit

while the occupants of a sitting room shiver.

Running costs are, of course, a major factor in the householder's decision as to which type of system he should use. Fuel prices vary considerably and each of the suppliers makes great play of this, if they can, in their advertisements. But fuel costs need not be a prime consideration, and in the right circumstances a potential buyer can choose largely on comfort and ease of use.

Plastic foam

Properly insulated houses need very little heat to keep them warm, and to-day there is absolutely no reason why almost any house built in this century should not retain a very high proportion, comparatively speaking, of the heat generated within it.

For example several firms, including ICI, run a service which will inject plastic foam into the cavity between the two brick leaves in a house wall. Other firms, will for a modest fee, weatherproof the doors and windows so that they are almost completely airtight. Yet other companies, at times apparently running into thousands, will offer to install double glazing.

Double glazing should be the last step in an insulation scheme, however, since heat losses through walls and roof are much more severe. For a conventional, detached, four-bedroomed house, all this, with the exception of double glazing, can be done for rather less than £300, even allowing for a high specification. At this stage, it matters little what fuel is used.

This is demonstrated convincingly by the number of Scandi-



avian houses, well insulated but subject to more extreme cold than is common in Britain, which are heated by electricity, comparatively as expensive there as here.

Another demonstration is afforded by the electric radiant ceiling heating now gaining favour in this country. Such systems, generally more suitable for new than existing dwellings,

are typified by Flexel, which uses a conductive sheet placed between the ceiling and a layer of insulating material. Radiant ceiling heating is an extremely comfortable system, it is entirely clean and, since the heat is generated in the person sitting in the path of the radiation, it allows a lower room temperature to be tolerated, giving lower fuel bills.

In a certain building development in the Home Counties, it has been shown that, in identical well-insulated houses with the same pattern of usage, the difference in fuel costs between radiant heating by electricity and gas-fired warm air is trivial.

Both of these latter systems score over "wet" installations where the heat is transferred

Double glazing by the use of insulated glass prevents heat loss and eliminates cold from the window. But heat losses through the walls and roof can be much more severe.

Continued on next page.

Controls can both save money and improve comfort

By DAVID THORNTON, Director of Sales, Residential Division, Honeywell Ltd.

Do controls matter? Do they really save? If so, why do they, and what are the best ones to use?

These questions or others very similar, get asked wherever the subject of controls comes up. But as with so many other aspects of consumer products, it is virtually impossible to give simple answers to what are essentially highly complex technical relationships involved in controls theory and practice.

Basically, there are two types of controls. Those that switch on appliances for safety purposes like automatic gas controls and oil burner controls. You see these on the appliance itself. But they are only there for safety and by themselves will not save on running costs.

The second type of controls—the ones that save—are for varying the temperature of water, room air and so on. They are sometimes called secondary controls—though a better term is comfort controls because they affect the comfort of the individual. And in so doing they can alter the consumption of fuel, and avoid unnecessary heater or system operation.

Comfort controls vary a lot in their appearance, performance and application. Picking one's way through the maze of products seems a daunting business but a few pointers may be useful.

Some manufacturers make only a few or even just a single control device; their main interest may be products quite divorced from the business of controls. Others make a full range of products and are well established in the industry. So reputation can be a guide.

Room thermostats

Then the products can vary a lot in performance. Actually, price, by itself, is not always a guide. Two units room thermostats for example, can be apparently similar, but may perform quite differently on the same heating system. Every thermostat works best on an application for which it was designed. So if you have a small bore radiator system, do not select a thermostat that is designed for controlling the heavy currents of underfloor heating.

That can be one reason why otherwise excellent heating installations do not give satisfaction, getting too hot, then too cold.

Another reason for the variety

of controls is that a system's control needs can vary widely depending on the system itself, the house and even the family.

The shape, location, and orientation of a house, for example, can pose problems if just one thermostat is used to govern the whole of the installation. The sun, or a convivial dinner party, can rocket the temperature in a room; and if that is where the only thermostat is also located, temperatures in the rest of the house will drop like a stone.

Zoning of individual rooms, or areas, is an obvious answer. This solution has the advantage of being able to vary the heating patterns from one zone to another—useful for bedrooms, teenager's study areas, nurseries and similar special areas.

Various methods

An extra room thermostat switching a control device which governs the flow of heat to the zone is one technique. Individual temperature control of radiators, by means of thermostatic valves, which take the place of the normal hand valve, is another method.

Another factor of comfort control leads directly to cost savings. This is most important because if even a small level of room heat can be saved—so small it would be unheeded by the human body—considerable fuel cost savings can be made. This is because the best of room thermostats can hold the air temperature very closely within the desired setting—and well within the so-called "comfort band" which each person has. This is a sort of "no-man's land" of around five or six degrees Fahrenheit between which the body has no sense of discomfort—neither too hot or too cold. Since even one degree of unwanted heat can put 5 per cent on to the fuel bill, it is easy to see why a good, sensitive heating controller can save.

Other major cost savings can come from putting controls on the washing water circuit. And also by tying all these control needs together so as to form an integrated control system which only permits things to happen—such as in an appliance to a fire—when it is strictly necessary. At all other times, the heating is kept off.

Though one cannot be specific about the actual cost savings through applying controls to a particular installation, reductions of up to 25 per cent can be expected with a good comprehensive set of controls.

By itself time control can

achieve nothing towards comfort and only saves by the negative principle of switching a system on and off arbitrarily, irrespective of changes in the weather pattern, room occupancy, heating or hot water demand.

Obviously the two elements should come into a proper control set up—people usually prefer a lower temperature when they are asleep, or during the day if they have to leave the house for long periods. But a good attitude is to ensure that the control system is always on the alert for a heating demand,

whenever it may come—and not just when the programmer permits you to have it.

The greater use of electric clock thermostats—which combine both time and temperature elements in a single unit—seems a likely trend. Also foreseen is wider interest in control versatility by more zoning, and individual radiator control.

In this connection it seems faintly ironic that a great many smaller homes to-day have a quite sophisticated control system since the Gas Council's "Guaranteed Warmth" scheme,

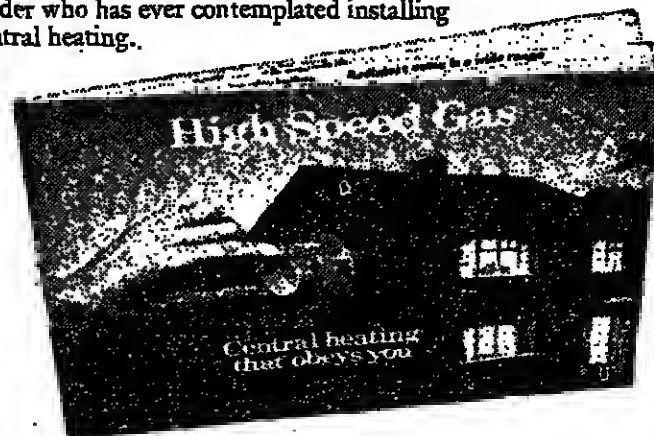
and similar schemes sold by the individual Area Gas Boards, include three or four control devices as standard with their installation.

In contrast the earlier type of oil and gas fired installations—many of which are getting on for ten years old, are comparatively primitive as far as controls are concerned. The owners would probably be pleasantly surprised at the improvements in comfort an economy a small investment in upgrading the control scheme would make.

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- * Why gas central heating is economical to run

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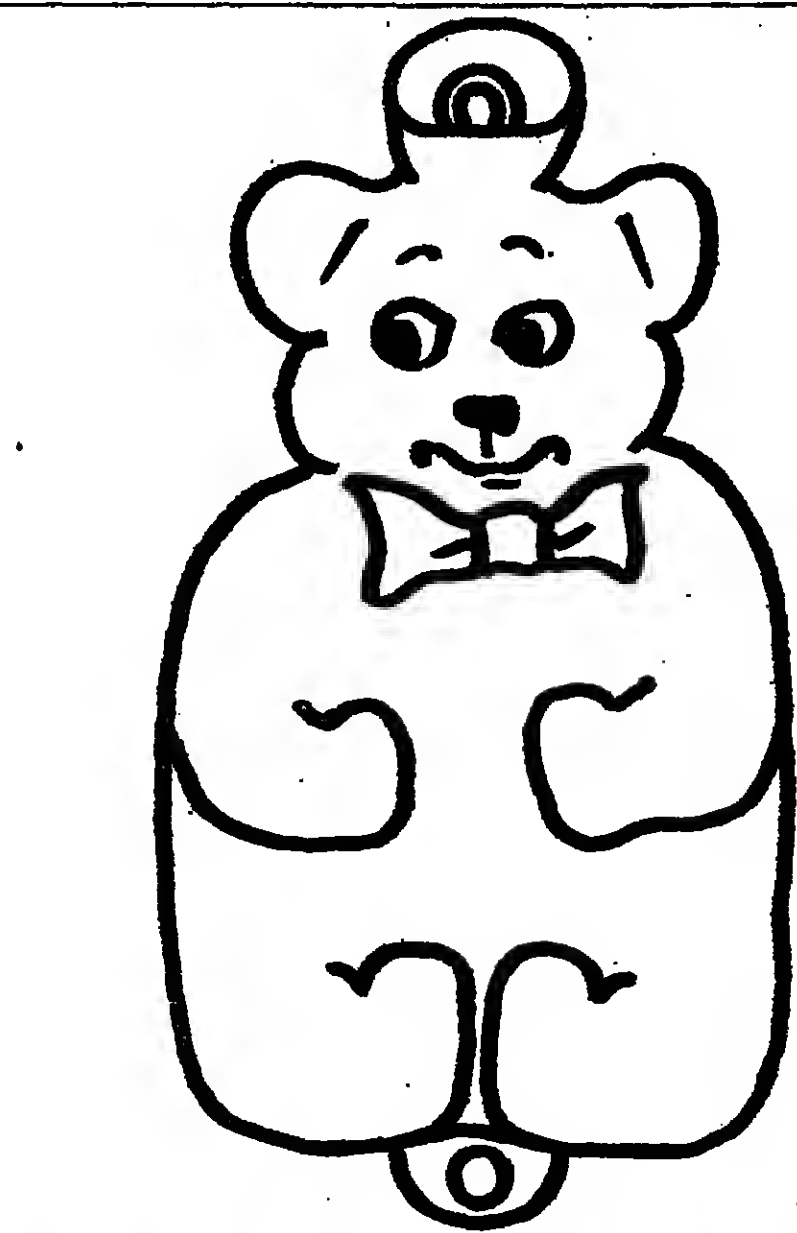
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I would like some expert advice on gas central heating ☐
Please send me the free booklet about gas central heating ☐

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Tel. No. Age (if under 18)
My Gas Board



Warmth without worry

Mobil oil fired central heating cuts costs, saves trouble all round.

You'll find Mobil Centralized Central Heating systems in operation on big housing developments throughout the country. Built-in oil fired heating, supplied from a central storage tank—saving on installation costs, saving on valuable space and saving headaches on the administrative side.

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HOME HEATING III

Good insulation is the answer to many problems

By DOUGLAS MURRAY, Imperial Chemical Industries Ltd.

There are two ways of upgrading thermal insulation—by filling the cavity wall with a suitable insulating material, or by applying suitable insulating panels to the inner lining of the structure. Cavity-filling can be achieved with ureaformaldehyde foam and a range of rigid-faced polyurethane foam laminates can be used for the inner lining of walls, roofs, ceilings and floors.

Ureaformaldehyde foam is produced by bringing together ureaformaldehyde resin, an acid hardener and air at equal pressures, in a foaming head. The foam is discharged into the wall cavity through small diameter drillings at approximately one-metre centres. The drillings are made through the outer leaf of existing buildings. Ar or the inner leaf of new structures. In the first case, the drillings are drilled into the mortar bed; the drillings will barely touch the adjacent bricks, while making good to match the overall surface is simplified. On new buildings, the same technique can be employed but where work is extensive, for example on a large estate, the foam can be installed through a discharge hose lowered from the top of the cavity before roofing.

The benefits of cavity wall insulation are most evident, to the home owner, in terms of economy and improved comfort. For every 100 square yards of wall insulated, the design output of the heating installation can be reduced by something like 7,000 Btu per hour—an annual fuel saving of 150 therms. A small semi-detached house has about 100 square yards of outside wall—about twice the area of the roof. The walls of a detached house are about three times the area of the roof. Roof insulation is generally accepted as essential; it is illogical and costly if the greater area of the walls should be allowed to pass heat to waste.

Inner leaf

An estate of semi-detached houses can have cavity wall insulation, at the time of building, for as little as £40 a house. Since the improved level of thermal insulation is achieved irrespective of the structural materials used for the inner leaf, the builder can use a less costly inner leaf—such as common bricks or hollow clay blocks—and save some £20 a house. Since the heating system can be tailored to the improved thermal insulation, a further saving of the order of £10 can be effected here—thus the net cost of cavity wall insulation is something like £10 a house.

An owner-occupier having his house insulated would pay

between £90 and £120 with no offset in savings on building materials and size of heating system; but in savings on fuel he can realise some £15 to £20 a year. It is difficult to imagine any other investment of this order that brings so high—and tax-free—a return, and where the capital is recovered in five or six years or, with the rate of increase in fuel costs, even a shorter period.

Fire risk

In the local authority housing field, sophisticated heating is now being included which tenants may find it beyond their means to operate; they therefore introduce alternative heating sources—say, paraffin stoves—which tend to increase condensation, damage decoration and increase fire risk. Good insulation at the time of building would add some 10 pence a week to the rent and reduce the fuel bill by about 80 pence a week, thus increasing the tenants' comfort and reducing the local authority's maintenance costs.

Ureaformaldehyde foam cavity wall insulation will lower the "U" value (insulation value) of a wall from the mandatory minimum .30 to .10. It is of course from this property that economy and comfort naturally derive; it is of interest that, in fact, this type of cavity wall insulation is often sought because of its beneficial effect on the problem of condensation.

In some houses—especially concrete homes, with no cavity—condensation may pose a severe problem. It is then necessary not only to have a low "U" value, but also to ensure that the thermal design of the whole external envelope is correct. Dense concrete has a very high thermal mass and warms up very slowly. Modern home central heating systems are usually intermittent, so when entire families are out all day and come back in the evening to turn the central heating full on, they are bound to create moisture that will condense on the cold concrete walls. By the time the concrete has warmed up, the central heating is off again and the whole cycle starts anew. The result has been misery for thousands of householders up and down the country: wet carpets, peeling blackened wallpaper and mouldy clothes. The sad thing is that this is not in century-old slums, but in modern flats, often the pride of their city, but built with inadequate thermal design.

To prevent this what is needed is an inner lining of low thermal mass that warms up quickly. This lining must in

turn be backed by an insulant so that it stays warm. Most important, the insulant must be protected by a vapour barrier to prevent water vapour penetrating it and condensing inside. It is also vital that this lining be continuous right round the inside of the building. The same problem will occur on the upstairs ceilings, or the walls, or the floors unless all are treated together.

A core of urethane foam is the best available insulant. For the walls, the urethane foam is laminated to plasterboard to provide a complete liner in one component, and a specially applied vapour barrier protects the insulant for life. The plasterboard lining quickly reaches the air temperature of the room when the central heating is turned on. A similar product with a plywood face is used for cold floors, and a ceiling board completes the wrapping-up of the inside of the house.

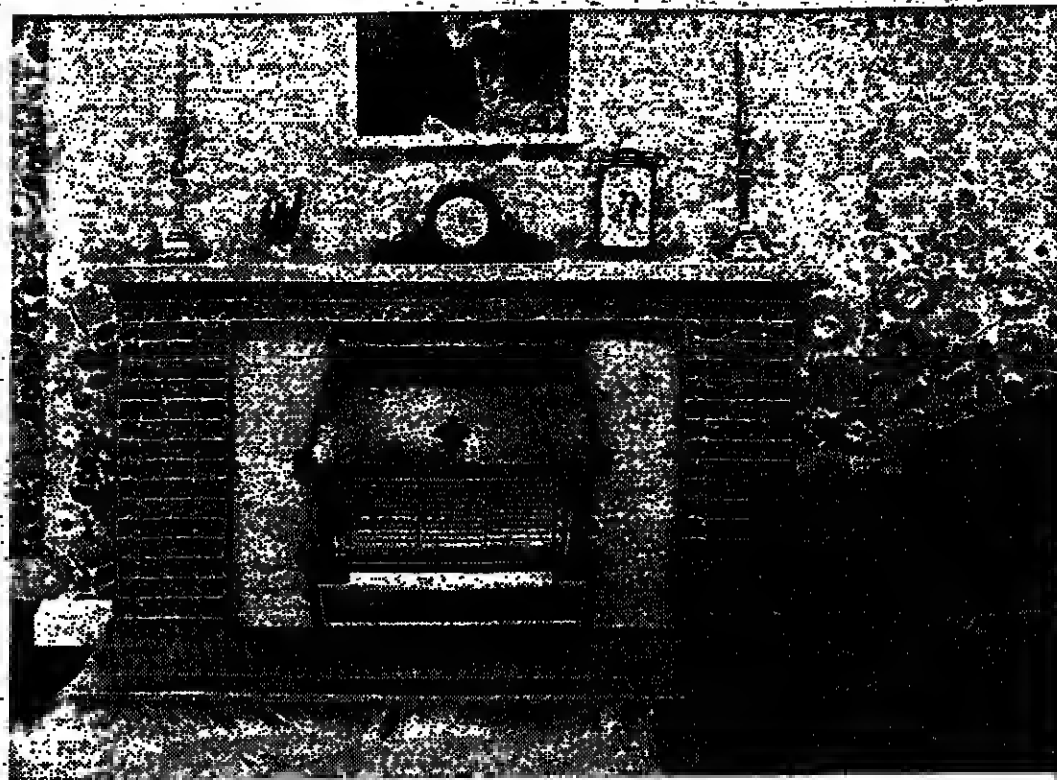
Provided that there is a reasonable input of heat and some ventilation there will be no more condensation. The lining system described may cost around £100 a flat, but in this sort of situation the argument for effective insulation is simple: without it the house cannot be a decent home to live in. And this form of insulation does not just cure condensation, it will save heat and money on the ever-rising cost of all fuels. It will also enable the family to feel comfortable at a lower temperature so that even less heat is needed.

Saving in fuel

Good insulation also means that ventilation can be reduced without discomfort, so again there is a saving in fuel. The opposite is true: without insulation condensation can be avoided only by having so much ventilation that there is no difference between the inside and outside temperatures and all the heat is wasted. This system of lining the inside of the structure offers excellent thermal design aimed at curing condensation, improving comfort, and saving fuel.

The situation is obviously similar in a factory where the 1957 Thermal Insulation (Industrial Buildings) Act lays down a specific roof "U" value. When the manufacturing operation creates a high relative humidity the problem is very like that in a modern flat. Most factories, however, have thin sheeting rather than concrete walls and a special laminate has been designed for this market to provide a complete factory roof and/or wall, and the core is urethane foam, giving the best insulation.

Our picture, top right, shows a Windsor fire produced by Parkinson Cowan which aims to combine the benefits of modern gas heating with a traditional styling. Below left is a Honeywell electric clock thermostat. Below right is a new concept for an electric convector heater from Belling, which is both a standard lamp and a convector heater.



Twelve reasons why central heating should start with the living fire.

It's a fire that's really a fire. No central heating system ever had a better start. If you've kept a fireplace in your living room, you've got the makings of the healthiest, happiest, and cheapest-to-run central heating you can buy.

Cheap to install. What will a pound a week buy you these days? Comforting answer—warm-hearted NCB Living Fire Heat Packs within astonishingly low price ranges. Fine systems. Fine equipment. We skimp on nothing except the price.

3 Rooms Heated + hot water installed for 77p to 83p a week over 10 years. No deposit. Or £210 to £225 cash price. Maximum heating surface 40 sq. ft. Open fire, room heater or boiler, 2 radiators and hot water.	4 Rooms Heated + hot water installed for 84p to 90p a week over 10 years. No deposit. Or £234 to £250 cash price. Maximum heating surface 50 sq. ft. Open fire, room heater or boiler, 3 radiators and hot water.	5 Rooms Heated + hot water installed for 93p to 99p a week over 10 years. No deposit. Or £258 to £275 cash price. Maximum heating surface 60 sq. ft. Open fire, room heater or boiler, 4 radiators and hot water.
6 Rooms Heated + hot water installed for £1.01 to £1.08 a week over 10 years. No deposit. Or £280 to £300 cash price. Maximum heating surface 100 sq. ft. Room heater or boiler, 5 radiators and hot water.	7 Rooms Heated + hot water installed for £1.10 to £1.17 a week over 10 years. No deposit. Or £305 to £325 cash price. Maximum heating surface 120 sq. ft. Room heater or boiler, 5 radiators and hot water.	8 Rooms Heated + hot water installed for £1.19 to £1.26 a week over 10 years. No deposit. Or £330 to £350 cash price. Maximum heating surface 140 sq. ft. Room heater, 7 radiators and hot water.

Cheap to run. You're not only getting the real thing in warmth. You get more continuous warmth for your money compared with other systems. When it comes to heating your home, why pay out good money on poor imitations?

You see what you burn. Living fire central heating is 'pay as you go' central heating comfort. You see what you burn as you burn it—and what you see is pretty good to look at. No shock fuel bills at the end of the quarter.

It's safe and healthy. It gives you good ventilation and doesn't dry up the air or cause condensation. It's safe and reliable, and healthy.

It's appealing. If you've ever tried spending a cosy evening round a central heating boiler, you'll know what a difference living fire warmth can make at the heart of your centrally-heated home.

It gives you continuous warmth. Continuous healthy warmth for your home brought into full action whenever you want it by simple and easy-to-operate controls—that's living fire central heating.

It's easy to care for. With solid fuel central heating you shouldn't see a maintenance man from one warm year to another. There's less to go wrong with a modern living fire system.

It's modern and efficient. All the old-fashioned real fire benefits combine with designs as modern and advanced as any in the whole field of heating. That's the beauty of the up-to-date living fire.

No worries about supplies. This year new plant, costing £25 million, producing smokeless fuel is just one of the reasons why a solid fuel system will go on working hard for your comfort. And once your fuel's in your bunker nobody can switch it off!

It's guaranteed. If your solid fuel system is installed by an NCB Registered Heating Contractor, it is backed by a solid guarantee for two full years from the date of installation. No other fuel industry is that sure of its products.

It's easy to pay for. The living fire takes care of your comfort. Easy payment plans take care of everything else. No deposit. Low fixed weekly payments. Up to 10 years to pay. And attractive interest rates.

Cheap. Reliable. Healthy. Real. And glowingly good to come home to. That's the appeal of living fire central heating. There are hundreds of systems. Hundreds of appliances to choose from. Send now for the full-colour book that will set you on fire with new ideas for heating your home next winter.

Central heating comes to life with the living fire

For National Coal Board, P.O. Box 105, Sunderland SR9 9XZ. Please send me the free full-colour book and details of NCB Living Fire Heat Packs.

Mr./Mrs./Miss _____ (BLOCK LETTERS)
Address _____
Town _____
Postcode _____
Tel. _____

Need for better planning — (Cont'd.)

continued from previous page
from the boiler to the radiators by piped hot water, in their need of response. This is important because the house may be occupied for part of the day and the returning family may not immediately heat.

Realising this drawback, the manufacturers of wet systems are redesigning the components involved to reduce the mass

of water that must be heated, speeded up boiler response, and promoted the circulation of warm air from the radiators (which are really mainly convectors) by such methods as installing fans or improving radiator profiles.

So the gap is gradually narrowing and at present the potential buyer is in the fortunate position of being able

to specify a wide range of systems all of very high performance and simplicity in use.

One other development which is of interest, though more to the local authority or property developer, than the individual householder, is district heating. This is based on the same assumption as central heating for an isolated house: that controlled use of one single fuel in a large-scale highly efficient installation can result in large savings in overall running costs.

Several housing estates now use this system, and the results have fully borne out the optimism of the proponents of the method. It is encouraging that new houses are being built with a much higher standard of insulation than previously, and that more people are investing in insulation for their existing homes. If the trend continues we will in fact reach the ideal state when a heating system can be chosen on its merits rather than its running costs.

If this may seem an ideal state, one example should give encouragement. One gentleman in the Midlands, admittedly a professor of Building, built a house with a very high standard of insulation some years ago. Although it has a floor area of about 3,000 square feet, and has large expanses of glass, the maximum rated output of his sole heating source is only 3 kilowatts, about the same as an average domestic fan heater.

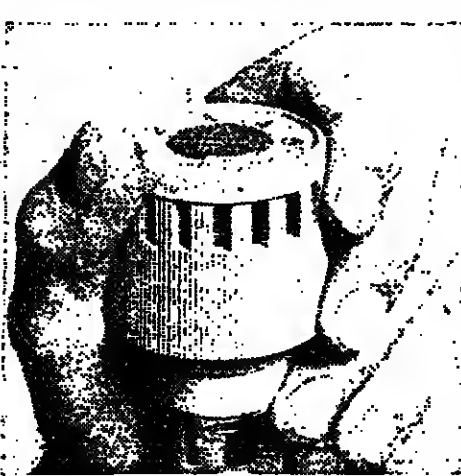
The NEW Danfoss RAVL Thermostatic Radiator valve . . .

... makes you feel as good as it looks!

In the radiator thermostat, the RAVL, adjust it to the required temperature, and then forget it.

The thermostat regulates the flow of water to the radiator and thus adjusts the individual room control for you automatically.

Danfoss radiator thermostats can be fixed on all types of radiators. You'll be surprised how quickly the RAVL can pay for itself in fuel savings alone. Ask your local heating installer or builders' merchant for the full story.



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2015/11/11

WALL STREET + OVERSEAS MARKETS

Down 14.89 - concern over economy

BY OUR WALL STREET CORRESPONDENT

SHARP FALLS hit Wall Street today, when selling reflected a general concern over the state of the economy, a rise in the prime interest rate by a Michigan bank, and fear that new contract settlements in the steel and rail industries may cripple the Administration's anti-inflation campaign.

The Dow Jones Industrial Average dropped 14.89 to 830.03 and the NYSE All Common Index fell 28.76 to 322.17, while declines outstripped gains by 1.273 to 217. Trading volume increased 1.62m. shares to 14.99m.

The financial community appears to be siding with the view of the Federal Reserve Board chairman, Dr. Arthur Burns, that there has been little progress against inflation.

The news on the economy seems to be consistently and universally unfavourable.

Analysts said while there is the widely-acknowledged view that the stock market is currently substantially overvalued, the market seems unable to raise the energy to stage a meaningful and sustained rally.

The first Pennsylvania Bank, which has frequently pioneered prime rate increases, said it is "seriously considering" a boost.

Yesterday's rally, inspired by the steel and rail contract, seemed to be able to bail buyers.

The opening of Lockheed Aircraft was delayed by an influx of trading orders. By a one-vote margin, the Senate on Monday put the Government's guarantee behind the \$250m. in bank loans to Lockheed, thus saving the company's largest defence contractor from bankruptcy.

But Lockheed, the second most active stock, fell \$1 to \$11 on profit-taking, was unchanged at \$11.10, McDonnell Douglas, which has been a market leader, fell \$1.10 to \$26.10.

Other Blue Chips succumbed to the general price erosion. Boeing stock fell \$1.10 to \$33.10, while Dupont was \$1.10 off at \$14.40.

International Nickel, already depressed by low nickel demand, fell another \$2.31 to \$31.

Computer issues also came back after yesterday's rise, propelled in part by Honeywell's price recovery. The stock of the company, which has been a market mover by IBM, Honeywell gained \$2 to \$33.10, while IBM dropped \$3.10 to \$290.

Memorex slipped \$1.20 to \$27.10.

Burroughs gave way \$1.10 to \$11.60 and Xerox fell \$1.10 to \$10.60. International Telephone led the active list, but lost another \$1.10 to \$33.10—it will divest some major holdings in line with a Justice Department consent decree.

Also active General Telephone backed off \$1.10 to \$30.10 and Occidental Petroleum dipped \$1.10 to \$16.10.

The American SEC followed the bid for the downward trend, with the ASE index down 35 cents to \$24.37. Declines outdistanced advances by eight-to-one.

Foreign stocks were irregular to lower, although U.S. issues rallied. Golds slipped.

BRUSSELS—Mixed in dull conditions. Ste. Generale, however, was firmer but Petrofina were slightly easier. Sofina lost Frs.30. Steels were narrowly mixed, with Cockerill up Frs.4 but Arbed weakened Frs.20.

Gevaert and Solvay each improved. Royal Dutch eased in a quiet foreign sector.

GERMANY—Markets were firm after an uncertain opening, with growing foreign interest in

\$11 and Superpet were off \$1.10. Union Oil Canada, however, gained \$1.10.

PARIS—Market generally edged lower, despite the easing of Exchange control and fresh reserves rise announced by the Finance Minister.

Banks and Investments eased slightly, while Foods and Constructions were mixed. Stores were hesitant. Moulins dipped in quiet Electrical. Citroen fell Frs.6 in Molins, while Oils and Chemicals generally declined.

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GERMANY—Markets were firm after an uncertain opening, with growing foreign interest in

International, supported by some local speculation. BASF and Bayer were higher, as were AEG and Siemens.

Stocks of higher insurance, including Deutsche Bank which rose DM3.1. Karstadt put on DM3.5 and Schering gained DM3.

AMSTERDAM: Internationals were narrowly mixed in quiet dealings.

Local Industrials were also again quietly mixed. Banks further improved.

Most Plantations eased slightly, but Shippings edged higher. AEGV edged higher insurance.

State Loans were mainly well maintained. Chemicals, however, were mixed.

Major Banks, Insurance and Finance showed only marginal fluctuations either way. CIBA-Geigy Bearer rose Frs.20 in well maintained Chemicals.

Among Stores, both Globus shares advanced. In Metals and Engineering shares declined.

State Bonds closed well maintained. Dollar stocks were generally well disposed in fairly active trading except for ITT, which was a

weak spot. Dutch shares closed narrowly irregular, while German stocks were generally very steady.

STOCKHOLM: Irregular trend. MILAN: Slightly firmer trend towards close following initial easiness. Volume, however, remained very limited.

Assicurazioni Generali gained Lire 360 to Lire 31,660 in generally firm insurance while Fiat Montedison and other Industrial leaders were firm. Fininvest lost Lire 3 to Lire 422.

Quicksilvers were mixed, with Sile gained Lire 66 to Lire 3,251 but Montecatini lost Lire 30 to Lire 1,510.

Banks were quietly steady. OSLO: Banks were steady, while Insurance were quiet. Industrials irregular and Shipping easier.

VIENNA: Irregular trend. Electro and Paper Industry shares were mixed. In Metals and Chemical issues were neglected. Banks were generally quiet. Banks were little changed.

COPENHAGEN: Narrowly mixed in thin dealing. Easier in quiet trading. Golds drifted lower with the decline of the free market bullion price. Metals were slightly softer.

Feature Mining Financials and traded at \$1.10 (\$1.50), attributed to professional activity in a thin market.

Banks were slightly easier, while Colliers held steady. Industrials were lower.

TOKYO—Initial firmness was lost and the market turned generally dull. Volume 150m.

Sony, Matsushita Electric, ALPS and Pioneer, however, each rallied. Machinery shares advanced on reports that orders for machinery in June increased by 14.8 per cent. over the previous month.

Oils declined, adversely influenced by reports that Indonesia might increase its crude oil prices.

Some Insurance also declined on profit-taking, under the lead of Taisei Marine, off Yen 11 and also Sumitomo Marine and Fire.

U.S. dollar fell to 162.15, while gold prices changed, while Industrials were mixed.

Peko Walsden gained 26 cents to \$9.00 and New York rose 10 cents to \$10.10. In London, the pound lost 40 cents to \$13.50, as did Kathleen Investments to \$7.40.

Sparrows were off 15 cents to \$10.50, and Spies came back 37 cents to \$10.50.

Pan Continental lost 22 cents to \$12.50, after sales ranging from \$1.20 to \$1.20. Meekatharra dipped 9 cents to \$1.45 but Lone Star added 5 cents to \$1.45.

In Oils, Woodroge rose 10 cents to \$1.10, while Bridge gained 1 cent to 78 cents, and Bridge gained 2 cents to 26 cents on its gas show report. NSW Oil and Gas lost 3 cents to 42 cents.

Among Industrials, Bunnys Philip declined 10 cents to \$1.10, while Bunnys Philip lost 10 cents to \$1.10, while Bunnys Philip lost 10 cents to \$1.10.

At \$1.50, Permain Wright at \$5 cents and Humes at \$1.50.

MONEY + EXCHANGES

Free credit supply

Bank Rate 6% (April 1, 1971)

Credit was in free supply in the Discount market yesterday, and the authorities sold a very large amount of Treasury bills in order to absorb surplus funds.

There was a net Treasury bill take-up to finance, but a surplus was carried over by the banks from the previous day, and

Government disbursements partly on local authority accounts were substantially above revenue transfers to the Exchequer.

A rate of 3 per cent. was bid for day-to-day loans to start with, but 5 per cent. was reached in the afternoon at 4 per cent. and in the case of some non-clearing bank funds, 4

per cent. Not all money was easily placed.

In the inter-bank market, overnight loans opened at about 3 1/2 per cent., but were at about 3 per cent. by lunchtime, and added at 4 per cent. and even 1 per cent. or so. Fixed period money in various markets was slightly softer in some cases. Rate in the table below are nominal in some cases.

Aug. 5

Sterling

Inter-bank

Local Authority deposits

Local Authority bonds

Finance

Inter-company

Treasury bills

Bank bills

Foreign

Overnight

1-4 days

1-3 months

3-6 months

6-12 months

1-2 years

2-3 years

3-5 years

5-10 years

10-15 years

15-20 years

20-25 years

25-30 years

30-35 years

35-40 years

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960-965 years

965-970 years

970-975 years

975-980 years

980-985 years

985-990 years

990-995 years

995-1000 years

1000-1005 years

1005-1010 years

1010-1015 years

STOCK EXCHANGE REPORT

Equities steadier but below best on buyers' caution

Index down a point at 396.2—Rolls-Royce loan bought

ACCOUNT DEALING DAYS

Option
First Declared Last Account
Dealing Days
July 26 Aug. 6 Aug. 17
Aug. 6 Aug. 18 Aug. 29
Aug. 29 Sept. 3 Sept. 14

Wall Street's overnight rally on the U.S. steel and rail pay settlements found reflection in early trading up London. The London stock market was also cheered by the passing of the Lockheed legislation with its important implications for thousands of jobs. Rolls-Royce and other U.K. exporters on the RB-211 engine, however, dealers' expectations of better demand were soon disappointed and higher opening prices quickly gave way in the face of a resumption of small public selling.

Best prices were not caught by the index which was 0.3 harder than the previous day's close at 245 p.m. and a point down at the close of 396.2. Potential buyers were feeling uncertain about Wall Street's ability to take up the slack after the news of the setback there in yesterday's early trade appeared to justify the caution; prices of leading stocks were held back further in inter-office dealings. Overall, trading was rather feeble, but the Lockheed news did raise in Rolls-Royce and other loan stock, 9 up at 57, and Joseph Lucas and Daniel Doreau among others.

Miner gilt-edged were helped by the July rise in the gold and currency reserves. Mining issues were firmed by a general rise in gold and a jump of 5 1/2 p.p. after 240p, in which week. Falls in FT-quoted United Overseas Bank by 5 p.p. compared with a 2-4-0 on Monday, but the reduced level of demand was illustrated by a fall in the market for 11,598 against 12,597 at the previous day's close and the week ago figure of 12,597.

Rolls improve

Although trading conditions in the City were not ideal, the Rolls-Royce loan remained firm, its price held up by the favourable outcome of the Lockheed vote and by the gold and currency reserves. The loan was also aided by the reduction in U.S. Treasury Bill rates.

Medium- and long-dated issues improved generally by a further 1/4, while the short-term rose by 1/2. The week's 50% batch of 60 p.p. per cent. annual interest yielding bonds was comfortably absorbed at 100.

Dealings in Distillers 10 p.p. cent. Loan, 1963-88, commenced yesterday, placed at par, the 25 p.p. discount on the 1971 and 1972 closed at 27 1/2 after a fair turnover.

New York's early reaction failed to discourage late buyers of investment dollars and the premium regained an early 1/2 point fall to close virtually unchanged on halcyon at 22 p.p.

In New Issues, Lancet Kilgour gained 4 p.p. to 22, while the 2 p.p. were seen in NSS Newsprint, 50p, and Kettering Motor, 115p.

Banks down again

Home Banks opened on a firmer note, but later resumed the downward drift on small selling and lack of buying interest. Prices receded more rapidly in the "after-hours" trading on the weak Wall Street opening and ended with falls ranging to 14p in Lloyds, 57p, Midland, however, were only 2p off at 513p. Among Merchant Banks, London and County Securities were renewed demand, closing 15p higher at 220p, while Cador Holdings rose 5p to 94p and Mercury Securities rallied 4p further to 185p. American Express, however, dipped 15p to 285p. Discount Houses were mainly steady, although Clive improved 10p to a new peak for the year of 815p following a 20p rise.

Trading remained thin in insurance, although prices closed with a firmer bias. "Royals" ended 5p better at 335p and Pearl at 240p, while Commercial Union continued to firm, ending at 485p; their interim statements are all due shortly, with Commercial Union's expected next Monday. Sedgwick Collins finished 2p higher at 125p, on the increased interim dividend.

Although inclined easier, a reasonable property business took place in Breweries. Against the trend, Greene King rose 12p to 472p in a restricted market. On the old scene, Watney Mann eased 10p to 115p, and Truman Hanbury and Buxton closed unaltered at 180p.

Johnson-Richards featured

Engineering went ahead at first, but came back "after-hours" to close with little change on Exchange. Exceptionally, Metal Box recovered part of Monday's fall when ending 5p higher at 365p. John Brown made fresh headway, still on the results, to close 10p up at 187p, on the prospect of a return to 1969-70 dividend rate helped F. Pratt.

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generally firm Building issues, rising 14p to 316p following the chairman's annual statement. Northern Developments rose 5p to 220p, while rises of about 5p were seen in A.P. Cement, 255p, Bovis, 181p, and Brooks Thomas, 200p. Turfitt Construction, at 30p, remained 10p of Monday's fall of 11p following demand in a thin market. In contrast, Marchwell slipped 4p to 250p, while Burns Anderson, 46p, fell 1/2 p.p. to 25p, and IDC, 133p, all closed 1/2p lower.

Initially higher at 320p, LCL came back to close 1/2p off on balance at 313p. Hickson and Welch, however, rose 5p more to 420p, and the bid for the Fordor eased 4p to 151p, in sympathy with Fordor, similarly lower at 142p.

"Gussies" rally

Following Monday's falls of 10p and 11p respectively, "Gussies" issues rallied with the Ordinary closing 10p higher at 435p and the "A" continued to demand in the House of Fraser improved 4p to 208p, while small gains were seen in Marks and Spencer, 285p, and Western, 73p. Austin Reed, "A" continued in demand and put on 20p more to 380p, while Debenhams, 215p, and W.H. Smith, 315p, had rises of 5p and 10p respectively. Other firms points included J. Michael, 2p up at 27p. On the other hand, Court Bros "A" dipped 8p to 190p, while Pluspale were 3p easier at 171p.

A quiet day in Electricals left few changes worthy of note. E.C. saw a fair turnover, but finished unaltered at 182p, after touching 154p. BSR recovered the previous day's 1p fall, before coming back 1/2p lower at 187p, on the day. Lanks made mark hardened another 2p in a new peak for the year of 136p in response to the increased dividend and profits. In contrast, BMT fell 5p to 123p. Aeriate, at 77p, gave up 2 1/2p of the recent good rise, while Stocklake declined 4p to 112p.

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ended with the price 9 points up at 257, after 258. Elsewhere, British Leyland eased 1p to 421p, while the encouraging interim statement and return to profitability, Wingard rose 4p to 20p, 10 p.p. thin market, Camden Group recovered 5p to 30p, and the chairman's statement, ERF Holdings put on 4p at 108p.

Brit. Sugar jump

British Sugar were a prominent late feature in a little-changed market, jumping 8p to 255p on the increased interim dividend and the estimated profits for 1970-71. The bid for the Fordor eased 4p to 151p, in sympathy with Fordor, similarly lower at 142p.

Initially higher at 320p, LCL came back to close 1/2p off on balance at 313p. Hickson and Welch, however, rose 5p more to 420p, and the bid for the Fordor eased 4p to 151p, in sympathy with Fordor, similarly lower at 142p.

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Oil's unsettled late

Leading oils held steady until Wall Street's early reversal undermined sentiment and put prices under pressure. The bid for the Fordor eased 4p to 151p, in sympathy with Fordor, similarly lower at 142p.

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Sterling Guarantee up

Feature of Financials was a further advance in Sterling Guarantee, which touched 300p in a market rather short of stock, before a close of 290p, up 11p on the bid for the Fordor eased 4p to 151p, in sympathy with Fordor, similarly lower at 142p.

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FINANCIAL TIMES STOCK INDICES

	August 3	August 2	July 30	July 29	July 28	July 27	July 26	July 25	July 24	July 23	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	July 12	July 11	July 10	July 9	July 8	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30	June 29	June 28	June 27	June 26	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June
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BRITISH FUNDS									
Stock	High	Low	Open	Close	Change	Yield %	Dividend	Price	Value
Shorts (Lives up to Five Years)									
999 1/2% Gas 1971-72	99.9	99.8	99.9	99.8	-0.1	5.31	5.68		
1000 1/2% Gas 1971-72	100.0	99.9	100.0	99.9	-0.1	5.31	5.68		
1001 1/2% Gas 1971-72	100.1	100.0	100.1	100.0	-0.1	5.31	5.68		
1002 1/2% Gas 1971-72	100.2	100.1	100.2	100.1	-0.1	5.31	5.68		
1003 1/2% Gas 1971-72	100.3	100.2	100.3	100.2	-0.1	5.31	5.68		
1004 1/2% Gas 1971-72	100.4	100.3	100.4	100.3	-0.1	5.31	5.68		
1005 1/2% Gas 1971-72	100.5	100.4	100.5	100.4	-0.1	5.31	5.68		
1006 1/2% Gas 1971-72	100.6	100.5	100.6	100.5	-0.1	5.31	5.68		
1007 1/2% Gas 1971-72	100.7	100.6	100.7	100.6	-0.1	5.31	5.68		
1008 1/2% Gas 1971-72	100.8	100.7	100.8	100.7	-0.1	5.31	5.68		
1009 1/2% Gas 1971-72	100.9	100.8	100.9	100.8	-0.1	5.31	5.68		
1010 1/2% Gas 1971-72	101.0	100.9	101.0	100.9	-0.1	5.31	5.68		
1011 1/2% Gas 1971-72	101.1	101.0	101.1	101.0	-0.1	5.31	5.68		
1012 1/2% Gas 1971-72	101.2	101.1	101.2	101.1	-0.1	5.31	5.68		
1013 1/2% Gas 1971-72	101.3	101.2	101.3	101.2	-0.1	5.31	5.68		
1014 1/2% Gas 1971-72	101.4	101.3	101.4	101.3	-0.1	5.31	5.68		
1015 1/2% Gas 1971-72	101.5	101.4	101.5	101.4	-0.1	5.31	5.68		
1016 1/2% Gas 1971-72	101.6	101.5	101.6	101.5	-0.1	5.31	5.68		
1017 1/2% Gas 1971-72	101.7	101.6	101.7	101.6	-0.1	5.31	5.68		
1018 1/2% Gas 1971-72	101.8	101.7	101.8	101.7	-0.1	5.31	5.68		
1019 1/2% Gas 1971-72	101.9	101.8	101.9	101.8	-0.1	5.31	5.68		
1020 1/2% Gas 1971-72	102.0	101.9	102.0	101.9	-0.1	5.31	5.68		
1021 1/2% Gas 1971-72	102.1	102.0	102.1	102.0	-0.1	5.31	5.68		
1022 1/2% Gas 1971-72	102.2	102.1	102.2	102.1	-0.1	5.31	5.68		
1023 1/2% Gas 1971-72	102.3	102.2	102.3	102.2	-0.1	5.31	5.68		
1024 1/2% Gas 1971-72	102.4	102.3	102.4	102.3	-0.1	5.31	5.68		
1025 1/2% Gas 1971-72	102.5	102.4	102.5	102.4	-0.1	5.31	5.68		
1026 1/2% Gas 1971-72	102.6	102.5	102.6	102.5	-0.1	5.31	5.68		
1027 1/2% Gas 1971-72	102.7	102.6	102.7	102.6	-0.1	5.31	5.68		
1028 1/2% Gas 1971-72	102.8	102.7	102.8	102.7	-0.1	5.31	5.68		
1029 1/2% Gas 1971-72	102.9	102.8	102.9	102.8	-0.1	5.31	5.68		
1030 1/2% Gas 1971-72	103.0	102.9	103.0	102.9	-0.1	5.31	5.68		
1031 1/2% Gas 1971-72	103.1	103.0	103.1	103.0	-0.1	5.31	5.68		
1032 1/2% Gas 1971-72	103.2	103.1	103.2	103.1	-0.1	5.31	5.68		
1033 1/2% Gas 1971-72	103.3	103.2	103.3	103.2	-0.1	5.31	5.68		
1034 1/2% Gas 1971-72	103.4	103.3	103.4	103.3	-0.1	5.31	5.68		
1035 1/2% Gas 1971-72	103.5	103.4	103.5	103.4	-0.1	5.31	5.68		
1036 1/2% Gas 1971-72	103.6	103.5	103.6	103.5	-0.1	5.31	5.68		
1037 1/2% Gas 1971-72	103.7	103.6	103.7	103.6	-0.1	5.31	5.68		
1038 1/2% Gas 1971-72	103.8	103.7	103.8	103.7	-0.1	5.31	5.68		
1039 1/2% Gas 1971-72	103.9	103.8	103.9	103.8	-0.1	5.31	5.68		
1040 1/2% Gas 1971-72	104.0	103.9	104.0	103.9	-0.1	5.31	5.68		
1041 1/2% Gas 1971-72	104.1	104.0	104.1	104.0	-0.1	5.31	5.68		
1042 1/2% Gas 1971-72	104.2	104.1	104.2	104.1	-0.1	5.31	5.68		
1043 1/2% Gas 1971-72	104.3	104.2	104.3	104.2	-0.1	5.31	5.68		
1044 1/2% Gas 1971-72	104.4	104.3	104.4	104.3	-0.1	5.31	5.68		
1045 1/2% Gas 1971-72	104.5	104.4	104.5	104.4	-0.1	5.31	5.68		
1046 1/2% Gas 1971-72	104.6	104.5	104.6	104.5	-0.1	5.31	5.68		
1047 1/2% Gas 1971-72	104.7	104.6	104.7	104.6	-0.1	5.31	5.68		
1048 1/2% Gas 1971-72	104.8	104.7	104.8	104.7	-0.1	5.31	5.68		
1049 1/2% Gas 1971-72	104.9	104.8	104.9	104.8	-0.1	5.31	5.68		
1050 1/2% Gas 1971-72	105.0	104.9	105.0	104.9	-0.1	5.31	5.68		
1051 1/2% Gas 1971-72	105.1	105.0	105.1	105.0	-0.1	5.31	5.68		
1052 1/2% Gas 1971-72	105.2	105.1	105.2	105.1	-0.1	5.31	5.68		
1053 1/2% Gas 1971-72	105.3	105.2	105.3	105.2	-0.1	5.31	5.68		
1054 1/2% Gas 1971-72	105.4	105.3	105.4	105.3	-0.1	5.31	5.68		
1055 1/2% Gas 1971-72	105.5	105.4	105.5	105.4	-0.1	5.31	5.68		
1056 1/2% Gas 1971-72	105.6	105.5	105.6	105.5	-0.1	5.31	5.68		
1057 1/2% Gas 1971-72	105.7	105.6	105.7	105.6	-0.1	5.31	5.68		
1058 1/2% Gas 1971-72	105.8	105.7	105.8	105.7	-0.1	5.31	5.68		
1059 1/2% Gas 1971-72	105.9	105.8	105.9	105.8	-0.1	5.31	5.68		
1060 1/2% Gas 1971-72	106.0	105.9	106.0	105.9	-0.1	5.31	5.68		
1061 1/2% Gas 1971-72	106.1	106.0	106.1	106.0	-0.1	5.31	5.68		
1062 1/2% Gas 1971-72	106.2	106.1	106.2	106.1	-0.1	5.31	5.68		
1063 1/2% Gas 1971-72	106.3	106.2	106.3	106.2	-0.1	5.31	5.68		
1064 1/2% Gas 1971-72	106.4	106.3	106.4	106.3	-0.1	5.31	5.68		
1065 1/2% Gas 1971-72	106.5	106.4	106.5	106.4	-0.1	5.31	5.68		
1066 1/2% Gas 1971-72	106.6	106.5	106.6	106.5	-0.1	5.31	5.68		
1067 1/2% Gas 1971-72	106.7	106.6	106.7	106.6	-0.1	5.31	5.68		
1068 1/2% Gas 1971-72	106.8	106.7	106.8	106.7	-0.1	5.31	5.68		
1069 1/2% Gas 1971-72	106.9	106.8	106.9	106.8	-0.1	5.31	5.68		
1070 1/2% Gas 1971-72	107.0	106.9	107.0	106.9	-0.1	5.31	5.68		
1071 1/2% Gas 1971-72	107.1	107.0	107.1	107.0	-0.1	5.31	5.68		
1072 1/2% Gas 1971-72	107.2	107.1	107.2	107.1	-0.1	5.31	5.68		
1073 1/2% Gas 1971-72	107.3	107.2	107.3	107.2	-0.1	5.31	5.68		
1074 1/2% Gas 1971-72	107.4	107.3	107.4	107.3	-0.1	5.31	5.68		
1075 1/2% Gas 1971-72	107.5	107.4	107.5	107.4	-0.1	5.31	5.68		
1076 1/2% Gas 1971-72	107.6	107.5	107.6	107.5	-0.1	5.31	5.68		
1077 1/2% Gas 1971-72	107.7	107.6	107.7	107.6	-0.1	5.31	5.68		
1078 1/2% Gas 1971-72	107.8	107.7	107.8	107.7	-0.1	5.31	5.68		
1079 1/2% Gas 1971-72	107.9	107.8	107.9	107.8	-0.1	5.31	5.68		
1080 1/2% Gas 1971-72	108.0	107.9	108.0	107.9	-0.1	5.31	5.68		
1081 1/2% Gas 1971-72	108.1	108.0	108.1	108.0	-0.1	5.31	5.68		
1082 1/2% Gas 1971-72	108.2	108.1	108.2	108.1	-0.1	5.31	5.68		
1083 1/2% Gas 1971-72	108.3	108.2	108.3	108.2	-0.1	5.31	5.68		
1084 1/2% Gas 1971-72	108.4	108.3	108.4	108.3	-0.1	5.31	5.68		
1085 1/2% Gas 1971-72	108.5	108.4	108.5	108.4	-0.1	5.31	5.68		
1086 1/2% Gas 1971-72	108.6	108.5	108.6	108.5	-0.1	5.31	5.68		
1087 1/2% Gas 1971-72	108.7	108.6	108.7	108.6	-0.1	5.31	5.68		
1088 1/2% Gas 1971-72	108.8	108.7	108.8	108.7	-0.1	5.31	5.68		
1089 1/2% Gas 1971-72	108.9	108.8	108.9	108.8	-0.1	5.31	5.68		
1090 1/2% Gas 1971-72	109.0	108.9	109.0	108.9	-0.1	5.31	5.68		
1091 1/2% Gas 1971-72	109.1	109.0	109.1	109.0	-0.1	5.31	5.68		
1092 1/2% Gas 1971-72	109.2	109.1	109.2	109.1	-0.1	5.31	5.68		
1093 1/2% Gas 1971-72	109.3	109.2	109.3	109.2	-0.1	5.31	5.68		
1094 1/2% Gas 1971-72	109.4	109.3	109.4	109.3	-0.1	5.31	5.68		
1095 1/2% Gas 1971-72	109.5	109.4	109.5	109.4	-0.1	5.31	5.68		
1096 1/2% Gas 1971-72	109.6	109.5	109.6	109.5	-0.1	5.31	5.68		
1097 1/2% Gas 1971-72	109.7	109.6	109.7	109.6	-0.1	5.31	5.68		
1098 1/2% Gas 1971-72	109.8	109.7	109.8	109.7	-0.1	5.31	5.68		
1099 1/2% Gas 1971-72	109.9	109.8	109.9	109.8	-0.1	5.31	5.68		
1100 1/2% Gas 1971-72	110.0	109.9	110.0	109.9	-0.1	5.31	5.68		
1101 1/2% Gas 1971-72	110.1	110.0	110.1	110.0	-0.1	5.31	5.68		
1102 1/2% Gas 1971-72	110.2	110.1	110.2	110.1	-0.1	5.31	5.68		
1103 1/2% Gas 1971-72	110.3	110.2	110.3	110.2	-0.1	5.31	5.68		
1104 1/2% Gas 1971-72	110.4	110.3	110.4	110.3	-0.1	5.31	5.68		
1105 1/2% Gas 1971-72	110.5	110.4	110.5	110.4	-0.1	5.31	5.68		
1106 1/2% Gas 1971-72	110.6	110.5	110.6	110.5	-0.1	5.31	5.68		
1107 1/2% Gas 1971-72	110.7	110.6	110.7	110.6	-0.1	5.31	5.68		
1108 1/2% Gas 1971-72	110.8	110.7	110.8	110.7	-0.1	5.31	5.68		
1109 1/2% Gas 1971-72	110.9	110.8	110.9	110.8	-0.1	5.31	5.68		
1110 1/2% Gas 1971-72	111.0	110.9	111.0	110.9	-0.1	5.31	5.68		
1111 1/2% Gas 1971-72	111.1	111.0	111.1	111.0	-0.1	5.31	5.68		
1112 1/2% Gas 1971-72	111.2	111.1	111.2	111.1	-0.1	5.31	5.68		
1113 1/2% Gas 1971-72	111.3	111.2	111.3	111.2	-0.1	5.31	5.68		
1114 1/2% Gas 1971-72	111.4	111.3	111.4	111.3	-0.1	5.31	5.68		
1115 1/2% Gas 1971-72	111.5	111.4	111.5	111.4	-0.1				

INSTRUMENT

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Lombard
A lack of faith in market forces

BY C. GORDON TETHER

ONE CAN hardly criticise the Confederation of British Industry for offering to launch an attack on the wages-price spiral at the prices of the business community stands to lose heavily from the perpetuation of the double figures inflation we are now afflicted with—especially as it is experiencing much greater difficulty in preventing the resulting rise in costs of production pushing up export prices than its overseas competitors.

What is much more difficult to rationalise is the enthusiasm the Government is showing for this do-it-yourself price freeze, as well as for exhortations to unions to moderate wage claims and to consumers to "shop around". For the Tories have always insisted that they were looking for the complete cure for inflation in the wages-price spiral. And it is hard to see how there can be any plausibility in such a panacea for expeditious of this kind.

Big objection
The big objection to the CBI's decision to take the initiative in slowing down the wages-price spiral is that, being a half-baked affair, it is liable to suffer the same fate as earlier British ventures of the same type and thereby further discredit—quite unjustifiably in this approach to the cost-push inflation problem. And it is a pity that, when he was practising the week-end that the CBI's operation "would end in ridicule and confusion in the same way as all previous incomes policy exercises in this country had done," Mr. Enoch Powell did not make the point that none of these operations could fairly be described as anything but a travesty of the real thing.

It would be unreasonable, however, to condemn the CBI for running this risk. After all, it is now evident that unless vigorous new initiatives are taken to break into the wages-price spiral, there is little hope of bringing the rate of inflation materially below the 10 per cent. level it has now reached before the mid-1970's at the earliest. And with the Government insisting that the economy must be kept on a tight rein until the inflation problem has been reduced to much less terrifying proportions, this means that industry will be facing an extremely thin time—put it mildly.

The gospel
In short, there is no difficulty in justifying the CBI's approach. But the same can hardly be said of the way in which the Government is going on. From the start it has insisted that Tory philosophy could have no truck with prices and incomes controls—not only because it contended that they had worked badly in the past but also because it was putting its faith in a remedy that could be counted on to be far more effective—a policy of releasing market forces so that they could establish appropriate disciplines over both wages and prices.

It is hard to see why, if official interference with the determination of prices would be irreconcilable with this gospel, a private enterprise one of the kind the CBI is trying to put into effect can fit in with it. It is not only that such measures should be unnecessary if market forces are really doing their job in the way the Government claimed they would do. It is also that intervention of this kind will presumably tend to defeat their purpose—for example, by preventing variations in supply-demand relationships finding due expression in the behaviour of prices.

Nevertheless, the Government has warmly welcomed the CBI's voluntary price freeze and even made adjustments in regulations in enable it to be accommodated within the law. And this is far from being the only way in which it is manifesting its word and deed a marked lack of confidence in its own panacea.

Thus if the market forces were doing their stuff, there should be no need for Whitehall to be pressurising the unions through exhortation to go slow on wage claims to the extent it is. They should be setting the limits for increases in the field without any assistance of this kind.

THE LEX COLUMN

Contrasts within BAT's dull year

BAT's recent popularity with the analysts contrasts, predictably, with the latest progress report—attributable profits £2.32m. higher at £36.31m. and confirmation that the year as a whole will not show much change on 1969-70. All the growth to date has come, again, from tobacco where pre-interest profits are 17 per cent. higher on a 2.8 per cent. cigarette volume gain: within that, the U.S. is well up on rather better volume and last June's price increases, and Europe is still moving ahead. But pressure on Latin American market share is evident in a static sales performance there, while Pakistan's troubles are knocking a fifth off its sales. There is nothing extra from cosmetics, and Wiggins Teape's first half-year contribution is just £1.67m. before £1.24m. interest charges and financing costs running at an annual rate of nearly 65m.

For the current half, the strike which has shut down Brown and Williamson's main factory is not going to interfere with a modestly improving U.S. volume trend. Against that, higher tobacco duty may have a temporary effect on Indian volume and Philip Morris is still chasing the Latin American market. Yet a reasonable earnings target may still be a little under £80m. against £74.72m. last time.

For all their strength last month, the shares have underperformed the market since the original forecast of flat earnings this year. That should limit the vulnerability in a fully diluted prospective p/e of perhaps 114 at 37p. Yet it is hard to see how these figures advance the brokers' re-rating arguments; the financing and initial impact of the mooted U.S. bid remain an open question and further anti-smoking reports seem probable in the U.S. within the next few months.

Property premiums

A 1971 high of 323p when set against a net asset value of 222p need be no anomaly when the relevant asset valuation was one by Hillier Parker in March,

1968—and also given a high central London content, as is the case with Great Portland Estates. However, the rating will have to continue to be sustained by outside estimates, for the annual report contains no revaluation. One leading property specialist broker puts a figure of about 300p on the group's net asset value. Since premiums on established asset values tend to be the order of the day now, Great Portland need not be out of line despite its relatively small development programme and modest 37 per cent gearing.

The same broker's net asset value tag for Central and District, which fell 5p yesterday to 170p on a dullish 6 per cent. gain in reported earnings, is 150p. Since this compares with a published value of 102p on March, 1968, valuation and already takes in much of the newly completed development programme, the case for thinking the shares overvalued is stronger here. But the irony is that the commoner the incidence of premiums on asset values the less the incentive for the groups to revalue for shareholders' benefit. By contrast, the incentive to give details of sale and leaseback arrangements and details of development programmes is fortunately the greater: that the former was not made statutory in 1967 was an oversight.

Lunt Comley

Lunt, Comley's 1970-71 rise in pre-tax profits from £1.5m. to £1.67m. takes in first and second half rises of 20 and 61 per cent. respectively but it was probably built around closing that left the shares 4p lower yesterday at 97p. The shares were at their 1971 peak on Monday, and the pre-tax growth slowdown is at least partly accounted for by expenditure on the Pensnett trading estate and other property developments; the corollary to this is extra allowances on industrial buildings (last year and this) and a 34 per cent. charge which leaves earnings up from 5.8p to 7.1p a share.

Next we have the proposed transfer of the £1m. debenture

stock, basically from a floating charge to a mortgage on Pensnett. This, presumably, opens the way to the sale of non-Pensnett properties, adding a speculative note to the profits growth that the industrial divisions have seen so far this year. That is one point which adds interest to the p/e of 123. The second is that the transfer will involve a debenture stock quote for Comley and Pitt which owns Pensnett, stressing the hybrid quality of a group which has around two-thirds of its capital employed in property but only got 24 per cent. of its profits, before interest, from that source last year.

British Sugar

Although British Sugar was obviously on to a good thing with its new incentive agreement with the Government (the shares rose from 130p when it was spelt out last March to 187p ahead of the figures), the market was not thinking in terms of a forecast of £6.5m. pre-tax for 1971-72 against £2.6m. last year; and the shares rocketed

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Weather

U.K. TO-DAY

A complex area of low pressure covers the country. Much of England and Wales will be cloudy with some sunbursts. In the north, rain is expected to spread N.E. to except Northern counties. Nightfall. Scotland will have mostly dull, wet day although brighter weather will spread in Southern parts. Temperature will be near seasonal normal. In the event, the 1970-71 beet crop is up about 61 per cent. to 6.3m. tons and the sugar content per ton by about 41 per cent. As in the past, future growth from the new profits plateau will entirely depend on the vagaries of crop size, yield and sugar content as well as group efficiency. So although British Sugar is spending some £30m. over five years to modernise plant and improve efficiency, it is not entirely surprising that on forecast earnings of 39p a share, the shares are only on a 61 p/e. Projecting an annual dividend of as much as 11p a share on the interim rise, the estimated yield of 4.3 per cent. is too slim to have many adherents in the context of Corporation tax reform. See also Page 16

RB-211: statement by Minister to-day

BY JOHN BOURNE, LOBBY EDITOR

THE CABINET decided yesterday to give the go-ahead to the RB-211 engine programme once the contract between Lockheed and Rolls-Royce (1971) has been signed. Ministers expect this to happen during the next few days, after Lockheed has cleared the last of its hurdles—confirming the orders from its airline customers for the TriStar.

This week the Government will have talks with Rolls-Royce directors and Mr. Rupert Nicholson, the receiver, to make arrangements for continuing State funds to keep the work on the engine going until the first payments are made by Lockheed. Since February the Government has paid out £50m. to cover the running costs of the engine programme but these arrangements are due to expire on Sunday and will have to be renewed.

The Government expects to receive a message from the U.S. Administration shortly—probably this morning—confirming that President Nixon will use his new powers to provide Lockheed

with a \$250m. loan guarantee, which the Senate gave him by a majority of only one vote on Monday.

This afternoon Mr. Fred Corfield, Minister for Aerospace, will make a statement to the Commons and answer MPs' questions.

The Government is delighted that its strategy for keeping the RB-211 alive has succeeded, even though the new contract with Lockheed plus further State aid will do no more than enable Rolls-Royce (1971) to break even on the engine. The important thing for Ministers is that the TriStar now seems to have been saved, and the jobs of many thousands of Lockheed and Rolls-Royce workers secured. If the RB-211 had died, it was estimated that up to 40,000 British workers would have lost their jobs—21,000 at Rolls-Royce and 19,000 at the companies' suppliers.

In addition to the funds to keep the engine project going, which will eventually be paid back by Rolls-Royce (1971)—the Government has undertaken to inject about £100m. for further development work on the RB-211 and to meet the £30m. net loss on production of the first 555 engines. The £30m. takes account of the higher price per engine Lockheed has agreed to pay.

Shares improve

The quoted Rolls-Royce Unsecured Loan stock got a boost on the Stock Exchange yesterday as a result of the Senate vote, as did the Ordinary shares in companies whose fortunes are most closely linked with the RB-211 project.

The Rolls-Royce 7½ per cent. Unsecured Loan rose nine points to 97, having touched 59 at one stage. Of the other companies, Daniel Doncaster registered the biggest percentage gain with a rise of 11½ to 52½. Joseph Lucas showed the highest overall jump, with a 15p increase to 27½. Dowry Group was 5p better at 119½, and Smith Industries also showed a small improvement.

MPs surprised at 'don't back EEC terms' call

BY JOHN BOURNE, LOBBY EDITOR

THE STRATEGY of Labour anti-Marketisers—to try to muzzle their opponents during the remaining months of the "great debate" has had a greater success than many of them expected. Last night at Westminster anti-Market MPs were surprised, although delighted, at the news that the Labour Committee for Europe has warned pro-Marketisers outside Parliament to stop making speeches supporting the terms for British entry into the EEC.

The presidents of the Committee are Lord George-Brown, Mr. Roy Jenkins and Mr. Michael Stewart.

In a letter to members of the Committee, Mr. Bruce Reed, the organising secretary, says that, following last week's decision by the Labour Party's National Executive to oppose the terms, "only MPs, who constitutionally represent all the people in their constituencies, now have the freedom to make pro-Market speeches in public."

Possible risk

"Every Labour Party member who attacks official Party policy in public will be running the risks of proscription and of justifying the anti-Marketisers' claim that we are publicly splitting the Labour Party."

"This means that, until the National Executive's attitude is reversed, you will not be able to support publicly the existence of the terms negotiated by Rippon."

BEA still keeps its options open on TriStar

BY RAY DAFTER

BRITISH European Airways said yesterday it was continuing to keep its options open regarding future requirements for wide-bodied aircraft, irrespective of the assured future of Lockheed and the TriStar.

At the Department of Trade and Industry a spokesman reiterated that the Government was applying no pressure on BEA to buy the TriStar. It was leaving the airline to decide its own requirements on economic grounds.

BEA is still evaluating the three possible candidates: the TriStar, its main contender, the European A-300B airbus, and the DC-10. An airline spokesman said it was intended to defer a decision as long as possible in order to gather the maximum amount of information about the service performance of the aircraft.

Plans to buy 17

It was possible, he said, that a decision would not be made until spring next year. The first aircraft would be needed for pilot and crew training by late 1973, in time for the initial aircraft to be introduced into service in 1974, quite likely on April 1, when the summer schedule starts.

BEA plans to buy 17 wide-bodied aircraft, taking possession over a period of some 18 months, as well as taking options on a further 17 aircraft—orders worth about £200m. including spares.



Mr. Henry Marking, chairman of BEA.

Air Holdings has so far sold 10 TriStars to Air Canada and one to Air Jamaica. In addition, Air Canada has a "second buy" option for nine more and Air Jamaica for one more. Lockheed reports that 178 TriStars have been sold or reserved on "second buy" options.

Another possible customer for the aircraft is Court Line Aviation, the inclusive tour airline which is looking at several types of aeroplanes to meet its future requirements. It has an initial requirement for two wide-bodied aircraft for delivery in 1973, with a possible option on three more.

In Derby, the heart of Rolls-Royce production work on the RB-211 engines for the TriStar, there was an air of elation over the Senate's decision. Mr. Charles Hunt, works convenor, commented: "Most of our people are waiting for major policy instructions from the Board so that we can go full steam ahead. There is a tremendous willingness by people to help."

He added: "We now have a lot of taxpayers' money invested in us and we must demonstrate that we deserve that help by working all out." The crisis had led to improved relations between shop floor workers and management. There was also increased mobility of labour with employees accepting other people's jobs.

"In negotiating any further," said the representative, a Glasgow accountant. Mr. Kelly is understood to have tied his offer to a consideration by the Government no worse than that to be enjoyed by the new company based on the Govan-Linthouse complex. "The preliminary indications are that the situation is not unfavourable," said the spokesman.

Tyne dispute: Swan Hunter calls talks

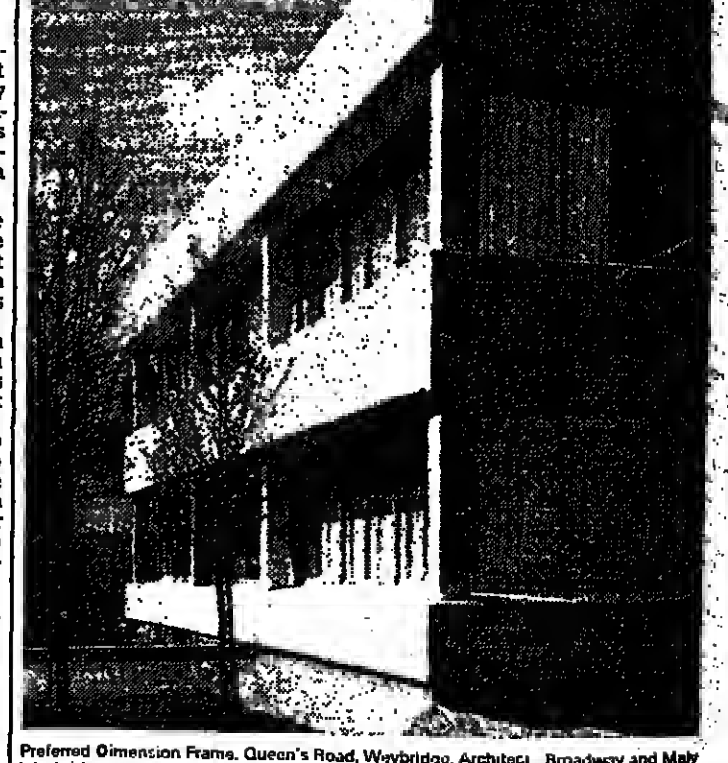
FINANCIAL TIMES REPORTER

AN early end to the strike of 2,800 ancillary workers which on Monday closed the five Tyne yards of Swan Hunter Shipbuilders, putting another 7,700 men out of work, could be brought about by a meeting with the union to take place in Edinburgh late last night.

Swan Hunter approached the General and Municipal Workers' Union on Monday seeking a meeting and has since kept a veil of secrecy surrounding it.

Mr. Tom McIver, deputy chairman of the consortium, was to lead the Swan Hunter team and the union was to be represented by Mr. Ken Baker, G.M.W.U. national industrial officer, and Mr. William Porter, the union's district organiser on the Tyne.

If the pre-set deadline is to be broken and the strike quickly ended Swan Hunter will probably have to improve its offer of



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